

HAWESKO

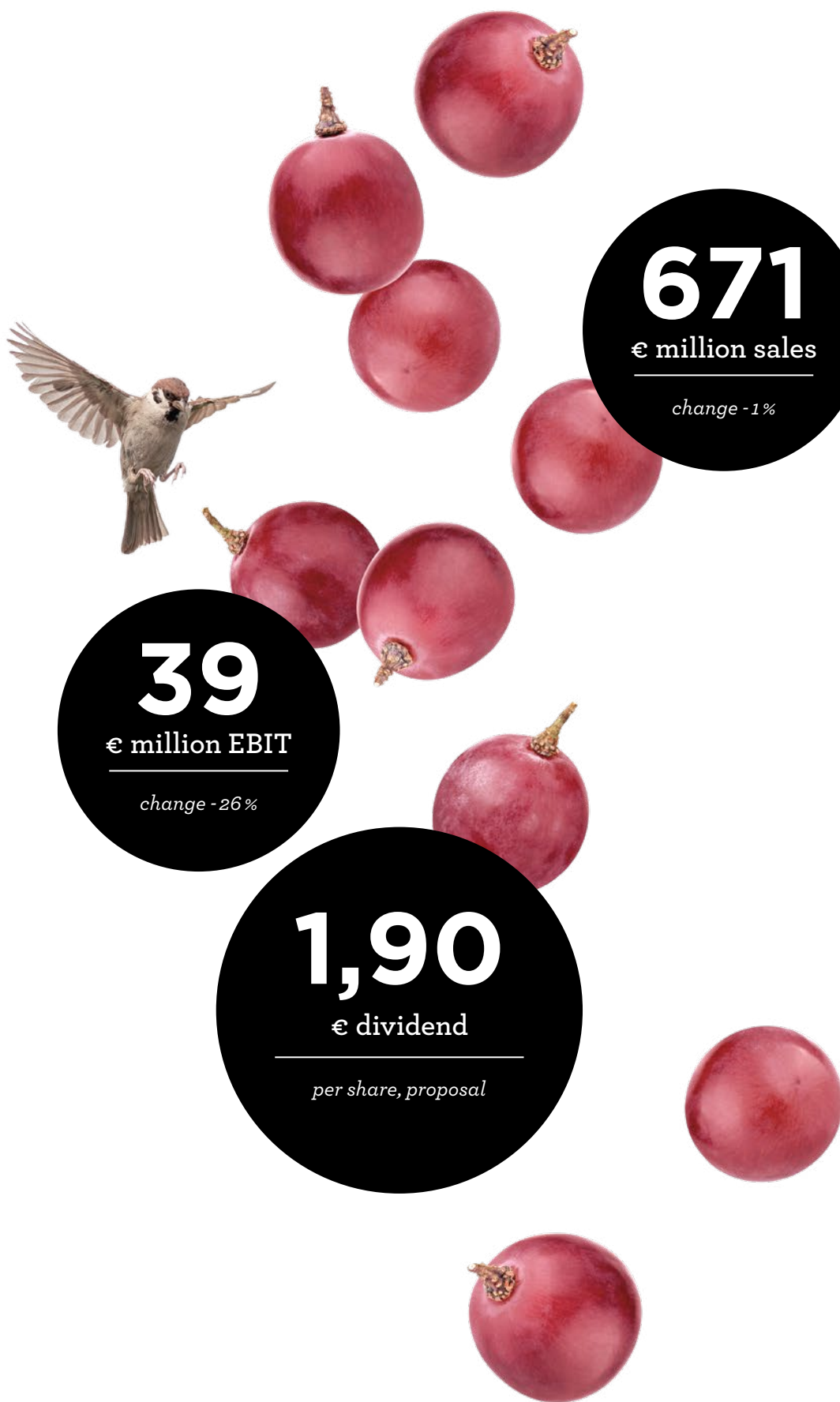
HOLDING SE



**NO. 1 FOR
PREMIUM
WINES**

ANNUAL REPORT

2022



671
€ million sales
change -1%

39
€ million EBIT
change -26%

1,90
€ dividend
per share, proposal

AT A GLANCE



	E-COMMERCE	RETAIL	B2B
SALES (€ MILLION)	242	228	201
YEAR-ON-YEAR CHANGE	-10%	-4%	+16%
OPERATING RESULT (€ MILLION)	16	19	10*

*Adjusted for special effects (operating result B2B)



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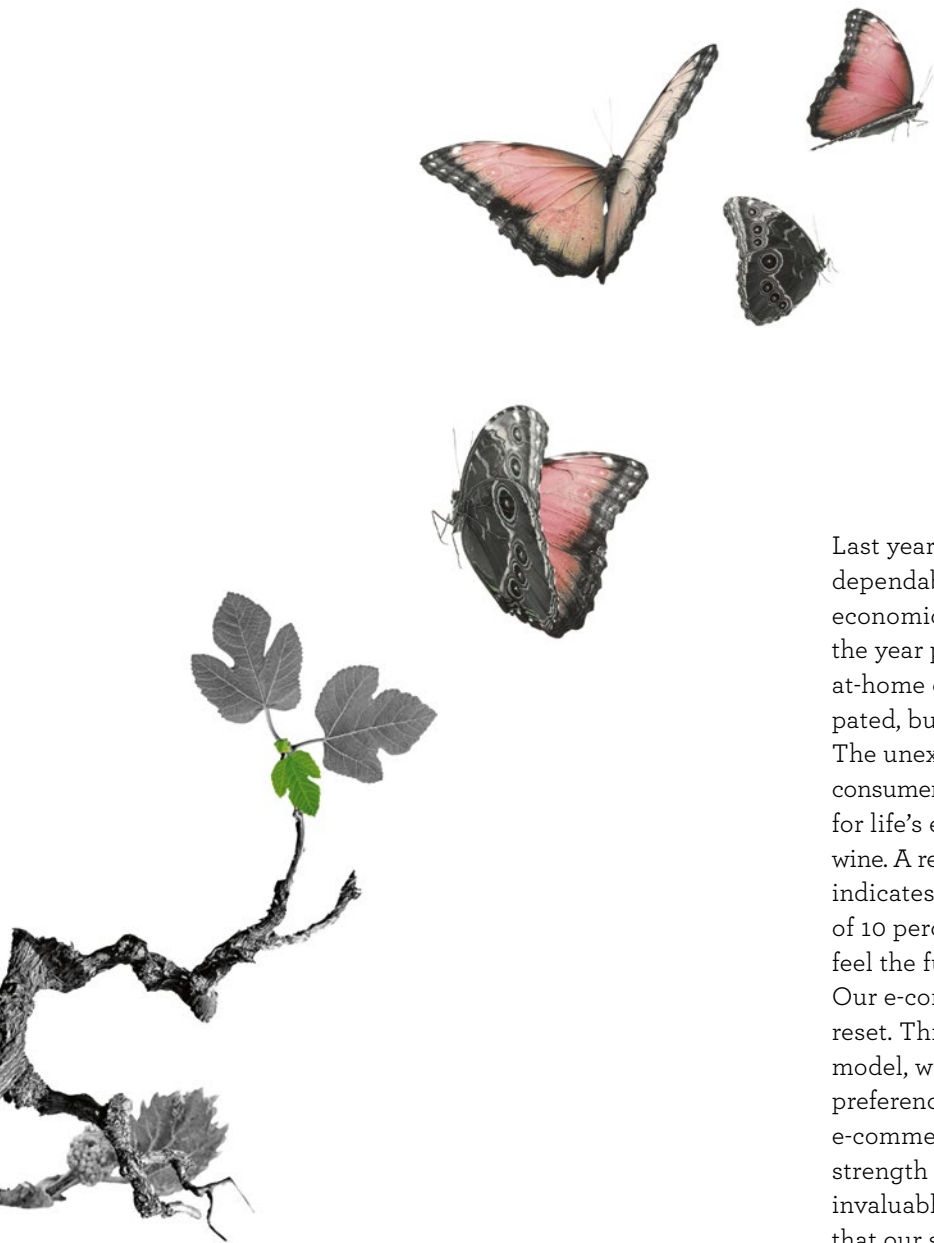
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REVIEW & OUTLOOK – A WORD FROM THE BOARD OF MANAGEMENT





Dear shareholders and friends of
the *Hawesko Group*,

We look back on a financial year that deepened the immense trust that our customers have in us as an expert wine trader, but also on a year that brought extraordinary challenges. As expected, the *Hawesko Group* was able to maintain sales at a high level after the pandemic years, and delivered fresh inspiration for people who love wine.

Last year we again needed to demonstrate our dependability, passion and desire to succeed in an economic environment that gradually worsened as the year progressed. There was a sharp decline in at-home consumption after the pandemic, as anticipated, but the restaurant trade experienced a revival. The unexpectedly steep rise in inflation undermined consumer confidence. Consumers focused on shopping for life's essentials and bought less or lower-priced wine. A recently published initial estimate by NielsenIQ indicates that wine experienced a fall in sales volume of 10 percent in 2022. The *Hawesko Group* did not feel the full impact of this market reversal.

Our e-commerce segment experienced a noticeable reset. Through our balanced and diversified business model, we comprehensively cover our customers' preferences and wide-ranging consumer habits in the e-commerce, Retail and B2B segments. The strategic strength of this broad market position has proved invaluable in this difficult environment and meant that our sales have performed better than the market itself. Meanwhile, as a major trading group we are clearly feeling the impact of the sharply higher costs of energy, glass, paper, card and shipping. The steep price rises were not foreseeable and significantly diminished profitability. We responded decisively to these market changes, adjusted our range and optimised our procurement practices. The action we needed to take also included price adjustments. It was crucial to proceed with a sense of proportion and weigh up sales opportunities against cost developments; the increased costs of 2022 have consequently not yet been passed on in full to consumers.

We do not yet anticipate that the price and cost pressures will ease in 2023. Consumer behaviour, too, will remain dictated by high inflation. There is huge pressure on profitability. We have set in motion intelligent price adjustments within the product range and extensive measures to improve profitability and efficiency in the short to medium term; these actions should stabilise profitability and help it recover in the medium term. The use of KI technologies will boost efficiency and also address the anticipated future shortage of labour.

We also made progress with internationalisation in 2022: our formats outside Germany registered sales of € 103.7 million, up 17 percent on the previous year (€ 88.3 million). The principal growth opportunities for our group on the one hand come from the wine-producing countries of Southern Europe and on the other hand from rising per capita wine consumption in Eastern European countries. In 2022 we acquired a majority stake in *Global Wines & Spirits s.r.o.*, the Prague-based Czech company that trades in premium wine. With strong sales to the restaurant and hotel trades and a network of over ten shops, *Global Wines & Spirits* has annual sales of more than € 20 million and gives the *Hawesko Group* access to the Eastern European wine market. The roll-out of our *WirWinzer* marketplace model also continues apace. Sales activities were launched in Italy and France in 2022, so alongside Austria and Germany the marketplace's portfolio now covers four wine-producing countries.

We are convinced our group can only evolve in an intact and socially balanced environment. We therefore take our responsibility towards our customers, our employees and the environment very seriously. Always delighting the customer is what drives and focuses our every action – every single day. Our cultural values, our approach to leadership and the way we promote the personal development of every



employee build trust and strengthen the bond between us as employer and our most valuable asset: our dedicated employees. Winemakers naturally believe it is hugely important to cultivate wine sustainably and minimise the impact of their actions on resources. We continue the process that starts in the vineyard and run our business with immense respect for nature.

We regard the present success of the *Hawesko Group* as an incentive to continue setting ourselves apart from the competition in an industry that is rapidly changing, and to help define the future shape of the wine market. The close personal ties with our winemakers, our outstanding expertise in wine and our extensive data-based knowledge equip us for a leading role in Europe's wine trade. We put our faith in the power of human interaction, in the indispensability of individual advice and in having a keen nose for the wine trends of tomorrow.

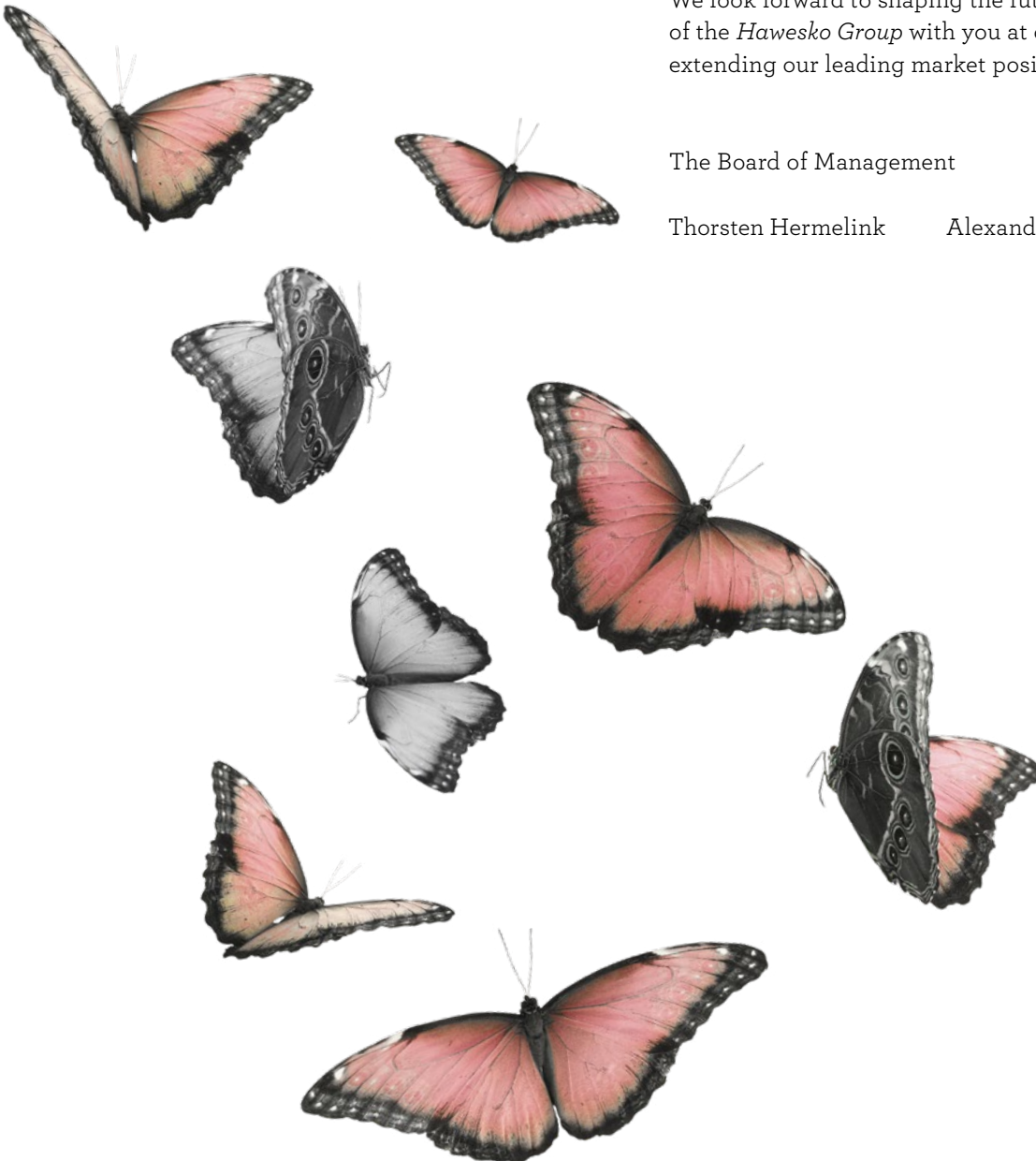
2023 will be a special year for the *Hawesko Group*. 1998 was the year of our IPO, so 2023 marks 25 years of dividends. Our steady profitable growth gives us the freedom to seize market opportunities for investments or acquisitions. Meanwhile you, our shareholders, participate suitably in our corporate success. Together with the Supervisory Board we propose to keep the dividend at the previous year's level of € 1.90 per share.

We also owe our success as the *Hawesko Group* to the trust that you, dear shareholders, have placed in us. We would like to thank our employees for putting a face to our customer-centric philosophy, and to our agency partners for demonstrating their commitment to *Jacques'* and their clientele in all their personal interactions. Thank you to all the winemakers who have continued to entrust their exclusive products to us, and to all who have provided us with their valued services. Last but not least, we should thank our many loyal customers.

We look forward to shaping the future development of the *Hawesko Group* with you at our side, and to extending our leading market position.

The Board of Management

Thorsten Hermelink Alexander Borwitzky





25%

MARKET
SHARE

EUROPE'S LEADING PREMIUM-END WINE TRADING GROUP



The wine trade is a very regionalised, highly fragmented market made up of several hundred thousand winemakers, millions of different wines and countless nuances of taste. It takes continuity to carve out a significant position in this segment.

That is something all the companies of the *Hawesko Group* achieve to an admirable degree; in doing so they play a crucial role in making us Germany's premium and luxury-segment market leader with around a 25 percent share of the market – and Europe's No. 1 premium wine trader.

Our aspiration as a leading European wine trading group for high-quality wines, champagnes and spirits is not merely to make our customers happy – but also to pleasantly surprise and delight them, time after time. To achieve that, the *Hawesko Group* adopts a common strategy: with our deep roots in the world of wines, we offer exceptional expertise at every level. The closeness and sense of partnership with the winemakers that has been built up over many years puts us at a unique advantage. As indeed do our

teams of wine experts, who spot trends sooner than others and come up with the perfect response. Last but not least, our group benefits from decades of experience and data-based knowledge of what our customers want.

All these strands come together in our overriding aim: to carve out a competitive advantage by offering exclusive products and targeting customers in a differentiated manner. It culminates in our commercial success and a high level of satisfaction among our clientele.

With this business model, we have become Europe's No. 1 trader of premium wine and continue to build on this position with our relish for innovation.

E-COMMERCE

The trend towards a convenient shopping experience from home continues unabated, including in the wine trade: some 40 percent* of all premium-end wines are now sold online, tendency rising.

We are excellently positioned online with our e-commerce companies and have very good coverage of the relevant markets. It helps that we also know the individual requirements and demands of our customers, which we can draw on alongside our taste algorithm, our powerful, scalable digital commerce platform and various carefully targeted marketing campaigns. So however impersonal e-commerce may seem, we are actually always very close to our clientele, who we can impress with an extraordinarily diverse product range and delight with a succession of new wines that taste sensationally good.

Our e-commerce formats benefit from a wide range of strategies and directions. Individually, each one is a dependable supplier of premium wine in its respective market. Collectively, we as a group are able to reach a wide range of customer groups thanks to this specialisation. That is why people who like wine often shop for it online on one of our formats.

Thanks to a unique feature that is unique worldwide, we will be even better placed to meet the tastes and preferences of our customers in the future. Drawing on a combination of many years of wine expertise and an ingenious analytical technique, our taste algorithm [on the *HAWESKO* site] guarantees to find the right wine for each individual's tastes. Tastes obviously vary, as do wines, but we know how to match the two together.

Our basis for continuing business growth in the e-commerce area is our effective, scalable digital commerce platform. It enables us to launch individual shops quickly and economically, and respond deftly to trends and new developments. Each format retains its own character and continues to reach out to our customers in its own specific way.

Exclusive wine projects and private brands are the key to our continuing success story. The close ties with our winemakers enable us to offer very special products that keep our customers returning, setting us apart from the competition.

Our *WirWinzer* marketplace model has given us straightforward, direct access to a wide array of estate-bottled wines. This digital 24/7 estate shop is attracting growing numbers of winemakers and cuts out one leg of the dispatch route altogether compared with conventional sales channels because the producer delivers straight to the customer, keeping the whole process as direct and resource-light as possible. The international potential of this platform gives the *Hawesko Group* access to markets in more wine-producing countries. As well as *WirWinzer*, we will be launching other formats that have proved a success in Germany in other European countries in 2023 and 2024. *HAWESKO* will also continue to expand its broad range of premium wines using a marketplace model.

COMPANIES OF THE SEGMENT

HAWESKO
TESDORPF
THE WINE COMPANY
WEIN & VINOS
WEINART
WIRWINZER

**Hawesko Group estimate*







RETAIL

For many of our customers, shopping for wine remains a very special experience, and one where they prefer to receive personal advice.

Our Retail formats *Jacques' Wein-Depot* and *Wein & Co.*, as the leading wine-shop retailers in Germany and Austria respectively, deliver a special shopping experience that appeals to all the senses. Our employees and retail partners are genuine wine experts who are always available to give individual advice, propose a tasting and therefore help people find their own personal favourites from a carefully curated range of wines. Local multi-channel retailing is a valuable USP and the very backbone of a market-leading concept.

At our *Jacques'* retail outlets, everything revolves around the tasting. Our customers can choose their personal favourites based on taste, not merely on what the label says. In a relaxed, familiar atmosphere people can taste their way through the wines, be guided perfectly by expert personnel and thus be sure of finding their very own favourites. This means our customers only buy wines that they like the taste of.

At *Wein & Co.* the spotlight is on the sheer variety of the Austrian and international wine scene. With expert advice from our professionally trained specialist wine advisors, customers will find something that is just right for them, whatever the direction of taste or

the price category. Our *Wein & Co.* bars in Vienna and Salzburg also provide an opportunity to kick back over a culinary wine-themed discovery tour.

Both *Jacques'* and *Wein & Co.* realise their ambition to be the first local port of call for wine and to delight their clientele time and time again by using targeted customer loyalty measures based on our customer card schemes "*Mein Jacques*" and "*Vinocard*". As cardholders enjoy an array of attractive benefits from the moment they make their first purchase, the proportion of anonymous transactions is low. We know our customers and create a strong sense of loyalty among them by displaying a deep understanding of their requirements. We know what appeals to them, so we can manage our range and communications accordingly.

COMPANIES OF THE SEGMENT

**JACQUES'
WEIN & CO.**

B2B



As a distributor, we are hugely trusted by wine producers and are the exclusive sales channel for many of the world's best wines and spirits.

Our many customers include premier addresses among restaurants, hotels, specialist wine shops and food retailers. With our range of more than 6,000 wines and spirits, we have something for every taste. We work hand in glove with our B2B clients to help them work through this huge selection and identify precisely the products that work for their business model.

Our impressive range of choice premium wines includes the world's top products. Many of the world's best winemakers choose us as their exclusive distributor in Germany, Switzerland, Austria and (since 2022) the Czech Republic. We can count brands such as Antinori from Italy, Torres, Faustino and Vega Sicilia from Spain, Lafite-Rothschild, Taittinger, Bollinger, Louis Jadot and Gérard Bertrand from France, Montes from Chile, Catena from Argentina, Penfolds from Australia and many more among our long-standing partners. We are the exclusive supplier to anyone who wishes to carry these brands.

With over 40 years of experience in B2B, we are the premium-segment leader and have the highest on-trade sales in Germany. Our sales team works day in, day out to upgrade the wine-drinking experience and increase the brand presence of the partners we represent on an exclusive basis.

We raised the bar yet again in 2022 with the launch of our new B2B web shop. Our customers can now place orders online and source the stock they need as quickly and efficiently as possible.

The segment entered a new market in 2022 with its venture into the Czech Republic. With effect from 1 July 2022 the *Hawesko Group* acquired a majority interest in *Global Wines & Spirits s.r.o.*, the Czech premium wine trading company with its registered office in Prague. *Global Wines & Spirits'* strong B2B business and its retail network of more than ten shops generate over €20 million in sales annually and provide us with a gateway to the Eastern European wine market.

COMPANIES OF THE SEGMENT

ABAYAN
GLOBALWINE
GLOBAL WINES & SPIRITS
GRAND CRU SELECT
WEIN WOLF
WEIN WOLF ÖSTERREICH



SOUND REASONS FOR THESE SHARES

HELPING
TO SHAPE
**THE WINE
MARKET**
OF THE
FUTURE



***Hawesko* shares enable our shareholders to participate in the success of Europe's largest wine trading group in the premium segment. *Hawesko* shares offer you a whole range of benefits.**

LARGEST PREMIUM WINE TRADER IN EUROPE

We are the market leader for premium wines in Germany and Austria, and also have operations in Sweden, Switzerland and the Czech Republic. We have steadily strengthened this position over the years and made further progress in 2022. That will preserve our sound basis for organic and acquisition-led growth.

CRISIS-PROOF BUSINESS MODEL

The coronavirus-dominated years 2020 and 2021 as well as the impact of the Ukraine crisis on consumer behaviour have demonstrated the strategic strength of our balanced but flexible business model. Thanks to having the very different Retail, e-commerce and B2B segments, we the *Hawesko Group* are also equipped to absorb substantial changes in the market.

MODERN OMNICHANNEL PROVIDER

We have closely dovetailed our various sales channels and are a genuine omnichannel provider. The way each channel interlocks seamlessly with the others also enables us to respond to the preferences and consumption patterns of our customers individually and efficiently. We always have a presence wherever our customers are looking for special wines and moments to savour.

STRONG INVESTOR IN FUTURE ISSUES

Thanks to our profound market expertise and extensive data-based knowledge, our group goes beyond merely responding to requirements and changes in the sector; it is capable of anticipating them, and therefore helps to define the future shape of the wine market. Our size allows us to invest in

future issues such as digitalisation, warehouse technology and private brand development in a way that smaller competitors cannot. Our investment in modern technology over previous years has paid off. We have an effective, scalable digital commerce platform that enables us to respond swiftly to market trends and new developments. The progress we make in that regard is fed back into the ongoing development of our platform.

CONSISTENT FOCUS ON THE CUSTOMER

We address the quality-conscious, sophisticated premium and luxury segment with our product range. That requires us to focus uncompromisingly on our clientele and their requirements. Our business success is based on notable expertise in wine, service quality and long-standing ties to all important winemakers.

ATTRACTIVE DIVIDEND

Our shareholders benefit doubly: first, from our attractive, shareholder-led distribution policy that for many years has dependably yielded a fitting stream of dividends. And second, from our success as the market leader who is focused on profitable growth and uses its operational and financial strength to steadily consolidate and extend its position in the market.

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*of Hawesko Holding SE (formerly Hawesko Holding Aktiengesellschaft)
for the 2022 financial year*

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COMBINED GROUP MANAGEMENT REPORT AND MANAGEMENT REPORT

of Hawesko Holding SE (formerly Hawesko Holding Aktiengesellschaft)
for the 2022 financial year

BASIC PROFILE OF THE GROUP

STRUCTURE OF THE GROUP

The *Hawesko Group* is an internationally active trading group for premium and luxury wines. With sales of €671.5 million and an average of 1,261 employees in the 2022 financial year, it is among the largest wine traders in the premium and luxury segment in Europe. The group comprises *Hawesko Holding SE* (formerly *Hawesko Holding Aktiengesellschaft*) and its subsidiaries.

The *Hawesko Group* places its activities in three operating units (segments).

The e-commerce segment covers all formats for online trading in the group. The strategic emphasis is on operating its own trading business and also on operating a marketplace product on which wine-makers can sell their wines directly to consumers. The e-commerce segment's formats are each distinct in terms of theme and the ranges offered. *HAWESKO*, Germany's largest premium online wine trader, belongs in this segment, as does the online Spanish wine specialist *Vinos* and the Swedish online trader *The Wine Company*. *WirWinzer* is the leading marketplace model for winemakers. At the ultra-premium end of the segment are *Tesdorpf*, one of the oldest and biggest fine wine traders in Germany, and *WeinArt*, which represents the absolute pinnacle of the wine sector as a trader of exceptionally rare wines.

The Retail segment comprises multi-channel trading concepts primarily in the form of wine-shop retailers, along with a smaller share of e-commerce sales. Its strategic focus is on closely dovetailing information that is sourced increasingly digitally with excellent in-person advice in the shop, complete with the option of a tasting. The segment operates a total of 354 wine-shop retailers in Germany and Austria. *Jacques'*, the largest chain of specialist wine retailers in Germany with over 330 (previous year: 325) outlets run by independent agency partners, provides neighbourhood-level, low-threshold access to premium products by offering a curated range that can be tasted in the shop. In Austria the premium format *Wein & Co.*, with its in-house operation of 22 (previous year: 22) shops and bars, offers a range of top-class wines from all over the world, plus moments to savour, for delighted customers in the country's main population centres.

The B2B segment brings together a number of distribution companies in Germany, Switzerland, Austria and the Czech Republic. All companies specialise in the exclusive distribution of premium wines, champagnes and spirits to restaurants and hotels, specialist wine shops and food retailers. Many of the world's best winemakers choose our companies as their exclusive distributor in the various countries. We can count brands such as Antinori from Italy, Torres, Faustino and Vega Sicilia from Spain, Lafite-Rothschild, Taittinger, Bollinger, Louis Jadot and

G rard Bertrand from France, Montes from Chile, Catena from Argentina, Penfolds from Australia and many more among our long-standing partners in this segment.

In total, the *Hawesko Group* has 14 operational trading companies. For ease of reading the company names are abbreviated in the following; please refer to the overview on page 100 of the notes to the consolidated financial statements.

E-COMMERCE	RETAIL	B2B
<i>HAWESKO</i>	<i>Jacques'</i>	<i>Abayan</i>
<i>Tesdorf</i>	<i>Wein & Co.</i>	<i>Globalwine</i>
<i>The Wine Company</i>		<i>Global Wines & Spirits</i>
<i>Vinos</i>		<i>Grand Cru Select</i>
<i>WeinArt</i>		<i>Wein Wolf</i>
<i>WirWinzer</i>		<i>Wein Wolf �sterreich</i>

GROUP STRATEGY

In value terms, the premium to luxury wine market that we target in Germany and other European countries accounts for the top 20 to 25 percent slice of the entire wine market. The premium wine market is regional and in some cases local in nature, with a very large number of winemakers and a huge breadth of products. Premium-end wines are overwhelmingly not mass products; they are artisan products made with loving care and limited in quantity by nature and location. Conversely the fine-wine or luxury segment is an international market with worldwide demand for certain winemakers and products. Customers in our segment of the market are passionate, hungry for knowledge and always on the lookout for a new special wine. They have high expectations of dealers and are prepared to enter into a relationship of trust with them. The premium and luxury wine market is predominantly a polypoly with its own rules, characterised by diverse, long-standing, trust-based business relationships, but with high barriers to entry.

Wine makes a moment special. It is an expression of true zest for life and our entire passion. That passion is something we want to share with our customers. Every day.

With sales of  671.5 million, the *Hawesko Group* is already among the largest wine traders in the premium segment in Europe. In a reflection of the fragmented, local market structures that dictate the value-adding relationships with customers and winemakers, the group has a predominantly non-central form of organisation but does not neglect potential for synergy and economies of scale in back-office areas.

Since 2015 the group’s strategic goal has remained unchanged: “to become Europe’s largest, most innovative and most profitable wine trading group at the premium end of the market”. The overarching entrepreneurial principle within the group is always to achieve profitable growth. Overall, the group strategy comprises five elements:

Markets, growth

In the 2022 financial year the *Hawesko Group* achieved 83 percent of its sales in Germany and 17 percent in other European countries, mainly Austria, Switzerland, Sweden and the Czech Republic.

Its strategic goal is to build further on its market position in Europe over the coming years. It will do so through acquisitions and the targeted expansion of formats that are already established in Germany. Within this, the overriding goal is to use our high marketing expertise to gain targeted access to new customer groups through a range of retail business models, thus realising further economies of scale in both internal processes and external supplier relationships.

In Germany, the *Hawesko Group* already has a premium market share of more than 20 percent overall and in every segment. The strategic goal involves growing faster than the market every year. In a contracting market environment in 2022, we again succeeded in increasing our market share. Future growth will be generated substantially through continuing organic expansion in the segments. For example, further expansion of *Jacques'* retail space to up to 500 outlets is planned over the coming years.

Digitalisation

Our goal is to transform the *Hawesko Group* into a digitally proficient organisation with best-in-class e-commerce business and a KI-based understanding of customers to drive growth. We intend to use digitalisation to enhance our internal efficiency in the long term. This area offers the greatest synergy potential in the group, in the form of pooled investment spending and the sharing of best practices by the individual companies. Here, the role of the holding company is to drive this synergy process by setting the strategic direction and making investment decisions, thus capitalising on the group's scale.

Operational excellence

The group's non-central structure with subsidiaries that focus on clearly demarcated customer segments facilitates optimal specialisation of the range, while keeping the organisation compact. Our lean management approach focuses all resources on a perfect customer experience while gradually improving internal processes. It is the ambition of every company to be seen by the wine trade as the benchmark for its individual business model.

Sustainability

We are convinced that value and values are two sides of the same coin. Wine is one of the most sustainable products around: with no other food product might there be such a big gap in time between production and consumption. A long-term, sustainable outlook is therefore part of our DNA – something that is as evident in our relationships with our suppliers and partners as it is in those with our customers and employees. To give that DNA a firm anchor, in 2021 we approved a comprehensive sustainability strategy that establishes a shared system of values across all long-established activities and practices at our companies as well as incorporating our social and governance goals.

People, talents, leadership

We want the *Hawesko Group* to be a preferred employer founded on healthy, trust-based cultural values and clear leadership principles. We want to have an enthusiastic, enquiring, engaged and diverse workforce. For the most part our managers at all levels have come up through our own ranks. For example since 2016 eleven senior management and 23 area management positions have been filled internally. A centrally coordinated HR function handles management development and recruitment across all companies and consciously encourages secondments between the companies.

MANAGEMENT SYSTEM, PRINCIPLES AND FINANCIAL TARGETS

We follow a group-wide management system for the setting and attainment of our strategic goals. We apply specific performance indicators in order to obtain a dependable and transparent measure of our success. The internal management systems of *Hawesko Holding SE* and its subsidiaries support the Board of Management and executive management with managing and overseeing the group, the segments and the individual subsidiaries. The systems comprise planning, actual and forecast calculations and are based on the group's annually updated multi-year plan. They take account of market developments, trends, investments and their effect on the *Hawesko Group* as well as the group's financial leeway.

The purpose of corporate management is to develop the *Hawesko Group* and its subsidiaries continuously and sustainably.

Group reporting comprises monthly profit and loss accounting as well as quarterly reports prepared in accordance with the International Financial Reporting Standards (IFRS) that cover all consolidated subsidiaries, and presents the net worth, financial position and financial performance of the group and its operating units. Financial reporting is supplemented by further detailed information that is needed to assess and manage business operations.

Another component of the management systems is reports prepared annually on the material risks that the company faces, supplemented as necessary with ad hoc announcements.

The above reports are discussed at Board of Management and Supervisory Board meetings and serve as key documents for the group's assessments and decisions.

For corporate management *Hawesko Holding SE* uses primarily key figures from the statement of income (sales, earnings before interest and taxes (EBIT)), the cash flow statement (free cash flow), the balance sheet (asset items and financial debt) as well as selected key performance indicators (KPIs) for the individual segments.

The *Hawesko Group* has set itself the following growth, rate-of-return and liquidity targets and applies these key financial performance indicators for internal management purposes:

- **Sales growth:** The *Hawesko Group* consistently targets higher sales growth than for the market as a whole. Even if the overall market is not expanding, the group aims for increased sales. The goal is to continuously increase the market share of the *Hawesko Group*.
- **Profit margin (EBIT margin):** The ratio of earnings before interest and taxes (EBIT) to sales revenues is to be increased to 7.0 percent in the long term, but may be lower in growth and transformation phases.
- **Return on capital employed:** Known as ROCE, this is the pre-tax yield. If ROCE is higher than the weighted average cost of capital (WACC), the company is generating value. The *Hawesko Group* has set itself the objective of achieving a ROCE of at least 14.0 percent.
- **Free cash flow:** A liquidity surplus is to be generated from business operations so that adequate financial resources are available above all for capital expenditure and for paying appropriate dividends.

Free cash flow and ROCE are measured exclusively at group level in view of the overarching nature of financing and investment structures. The overriding goal of economic management within the *Hawesko Group* is to generate profitable growth.

After two years of strong growth, 2022 brought the expected consolidation of the sales level achieved by the group. Especially at a time when sales revenues are not rising, the Board of Management considers it imperative to reach a particular level of profitability in order to safeguard the financial performance. From the 2023 financial year, the *Hawesko Group* will therefore manage profitability with an absolute EBIT figure from the above key financial performance indicators. Use of the relative figure of profit margin will therefore be discontinued.

No key non-financial performance indicators are used in the management of the group.

RESEARCH AND INVESTMENT

The *Hawesko Group* develops central software components of its sales platforms itself, in cooperation with its strategic partners. The development aspect refers to a software development process that involves adding new functionalities and/or improving the existing system environment with key system functionalities along the entire value and process chain. This ensures that the technology infrastructure of the *Hawesko Group* supports the corporate strategy and is harmonised with the operational processes and systems.

The development activities are handled organisationally by *WineTech*.

ECONOMIC REPORT

GENERAL AND INDUSTRY-SPECIFIC ECONOMIC ENVIRONMENT

Inflation and the energy crisis have brought the German economy to the brink of a recession. Gross domestic product contracted by 0.2 percent in the fourth quarter of 2022. Most experts believe a further contraction lies ahead in the first quarter of 2023. According to provisional calculations by the Federal Statistical Office, real gross domestic product (GDP) climbed by 1.8 percent in 2022. Original expectations of a recovery of 2.6 percent could not be fulfilled due to a number of pressures. Experts forecast a slight upward trend for the spring.

According to Gesellschaft für Konsumforschung (GfK) the per capita purchasing power of Germans (nominal disposable net income including state transfer payments) will be €26.3 thousand in 2023. This is a healthy 3.3 percent up on GfK's revised prior-year figure and is indicative of a recovery. However the rise in purchasing power will not outstrip the high inflation rate. Since March 2022, Germany's monthly inflation rate has been above seven percent. It rose temporarily to ten percent between September and November 2022. In recent months, the Federal Statistical Office (Destatis) has reported inflation rates of eight percent. The European Central Bank (ECB) also increased its key rates several times in 2022, partly in response to high inflation in Germany. The ECB anticipates it will again have to take decisive, firm action in 2023 to ensure that inflation is brought back down to two percent in the medium term.

German wine market

The sharp rise in inflation drove up the cost of living in Germany and triggered a clear concentration on purchases of life's essentials. This meant that fewer households bought wine, and those that did paid greater attention to the price. The recently published wine market analysis by Nielsen IQ, the first estimate for 2022 as a whole, concludes that the overall wine sales volume fell by 10 percent. Wine sales revenues were down 6.5 percent.

The German Wine Institute provides detailed information on the German wine market in its statistics on the past wine year (1 August 2021 – 31 July 2022). The figures show that for the period ending 31 July 2022 the German population bought significantly less wine per capita, or 19.9 litres, compared with 20.7 litres in the prior-year period. Consumption of sparkling wine remained constant at 3.2 litres. In all, 19.4 million hectolitres of local and imported still and sparkling wine were consumed (previous year: 19.8 million hectolitres). Extrapolated over Germany's entire population, which grew year on year by almost one million to 84.1 million inhabitants, this equates to per capita consumption of 23.1 litres of wine and sparkling wine per year (previous year: 23.9 litres). This volume of demand means the German wine market ranks fourth among the world's biggest consumer markets for wine. Only the USA (33.1 million hectolitres), France (25.2 million hectolitres) and Italy (24.2 million hectolitres) consume more wine.

OVERALL STATEMENT OF THE BOARD OF MANAGEMENT ON 2022 BUSINESS PERFORMANCE

The years 2020 and 2021 were characterised by a periodically marked shift in consumer behaviour. Official restrictions during the coronavirus pandemic meant many activities such as visiting a restaurant or travel were only possible to a limited degree and at home consumption therefore rose sharply. This brought significant growth in sales and EBIT for the e-commerce and Retail segments, while costs for the B2B segment were reduced thanks to government measures such as short-time allowances. In the 2021 Annual Report, the Board of Management had already forecast the lifting of official restrictions and the normalisation of consumer behaviour, resulting in falling sales and EBIT for 2022.

Russia's invasion of Ukraine and the soaring inflation this triggered also had a negative effect on purchase prices and all costs, and were not built into the forecast made at that time. However the companies of the *Hawesko Group* were able to compensate for the cost increases to some extent by raising prices and adjusting the policy on range and offering, with the result that the sales and EBIT forecasts from 2021 were broadly achieved.

With effect from 1 July 2022 the *Hawesko Group* acquired a majority interest in the Czech premium wine trading company *Global Wines & Spirits s.r.o.* with its registered office in Prague; the group had previously held a minority interest. The net purchase price (purchase price less cash acquired and cash in bank accounts) came to € 6.8 million. The strong B2B business of *Global Wines & Spirits* and its retail business from more than ten outlets generated sales of € 15.1 million and made an EBIT contribution of € 1.6 million in the second half of 2022.

Hawesko Group sales of € 671.5 million in 2022 were slightly (1.3 percent) down on the prior-year level (previous year: € 680.5 million). After adjustment for the acquisition, sales were down 3.5 percent at € 656.4 million. The ending of the coronavirus-related special economic boom as expected led to a downturn for e-commerce and growth in sales to the restaurant trade.

Consolidated EBIT came to € 39.1 million (previous year: € 53.1 million) and the EBIT margin to 5.8 percent (previous year: 7.8 percent), just below the forecast range of 6.0 to 7.0 percent.

Overall, the Board of Management regards the sales performance as satisfactory in terms of the market situation and profitability, considering how inflation has led to sharp price rises.

DEVELOPMENT OF THE PERFORMANCE INDICATORS

CONDENSED CONSOLIDATED STATEMENT OF INCOME €'000	2022	<i>As % of sales</i>	2021	<i>As % of sales</i>	<i>Change</i>
Sales revenues	671,482		680,530		
Cost of materials	-377,831		-379,925		
GROSS PROFIT	293,651	43.7%	300,605	44.2%	-0.4%p
Personnel expenses	-76,152	-11.3%	-74,920	-11.0%	-0.3%p
Advertising expense	-49,328	-7.3%	-44,082	-6.5%	-0.9%p
Commissions to partners	-45,743	-6.8%	-47,845	-7.0%	0.2%p
Freight and logistics costs	-41,031	-6.1%	-41,472	-6.1%	0.0%p
Other costs	-41,657	-6.2%	-36,899	-5.4%	-0.8%p
Other income	22,076	3.3%	19,821	2.9%	0.4%p
Operating result before depreciation and amortisation (EBITDA)	61,815	9.2%	75,207	11.1%	-1.8%p
Depreciation and amortisation	-22,738	-3.4%	-22,127	-3.3%	-0.1%p
RESULT FROM OPERATIONS (EBIT)	39,078	5.8%	53,080	7.8%	-2.0%p
Financial result	243	0.0%	-4,810	-0.7%	0.7%p
Income tax expense	-13,159	-2.0%	-14,015	-2.1%	0.1%p
CONSOLIDATED EARNINGS	26,163	3.9%	34,255	5.0%	-1.1%p

In the 2021 Annual Report we voiced our expectations for the financial performance indicators in our management system that are the most relevant to us. The following tables provide an overview of the development and the results actually achieved in 2022.

The key performance indicators developed as follows in the period under review:

€ million	<i>Definition</i>	2022	2021
Sales	Sales revenues	671.5	680.5
Sales growth	Percentage growth in sales revenues	-1.3%	9.7%
EBIT	Operating result	39.1	53.1
EBIT margin	EBIT as percentage of sales	5.8%	7.8%
ROCE	EBIT as percentage of capital employed, see section "Profitability"	16.1%	24.2%
Free cash flow*	Total of cash flow from operating activities, investing activities and interest paid.	16.6	37.3

* In the previous year free cash flow included cash inflows from the disposal of subsidiaries in 2020 in the amount of € 5.5 million. Free cash flow for 2021 was therefore reduced correspondingly in this financial year. This had no effect on the statements on the development of the KPI and on attainment of the forecast.

The free cash flow is defined as the total of cash flow from current operations and investing activities (excluding the acquisition and disposal of subsidiaries

and excluding inpayments and outpayments for financial assets held as investments) as well as interest paid.

	<i>Objective</i>	2022	<i>Attained</i>
Decline in sales	-1.0 bis -6.0%	-1.3%	Yes
EBIT margin	6.0 bis 7.0%	5.8%	No
ROCE	16 bis 20%	16.1%	Yes
Free cash flow (€ million)	€18 bis 22 Mio.	16.6	No

FINANCIAL PERFORMANCE OF THE GROUP

In the first year after the strong sales growth during the lockdowns triggered by the pandemic, as expected *Hawesko Group* sales came in just below the prior-year level of € 680.5 million at € 671.5 million, but were well above the pre-pandemic sales level (2019: € 556.0 million).

SALES REVENUES BY SEGMENT €'000	2022	2021	<i>Absolute</i>	<i>Change Percent</i>
Retail	228,486	238,438	-9,952	-4.2%
B2B	200,598	173,214	27,384	15.8%
e-commerce	242,398	268,877	-26,479	-9.8%
Consolidation / Miscellaneous	-	-	-	-
TOTAL, GROUP	671,482	680,530	-9,048	-1.3%

The consumer-facing segments Retail and e-commerce contracted as forecast, whereas the B2B segment grew by a double-digit rate. The main drivers of growth for the B2B segment were restaurant and hotel customers, as well as the fully consolidated *Global Wines & Spirits* from 1 July 2022.

To cushion the consequences of inflation-led cost rises, prices were increased and the changes were made to the range across all units in the course of the year. Particularly in the Retail segment, but also in the e-commerce segment, this prompted growth in shopping baskets and average bottle prices, compensating in part for the activity-led downturn in sales revenues.

SALES BREAKDOWN BY REGION €'000	2022	2021
Germany	560,111	585,936
Austria	52,399	50,661
Switzerland	21,425	20,018
Sweden	11,184	13,968
Czech Republic	15,056	-
Miscellaneous	11,307	9,948
	671,482	680,530

In 2022 the proportion of sales revenues achieved by the group in Germany declined to 83 percent (previous year: 86 percent). The change is due to the contraction of e-commerce business, for which the customer base is largely in Germany. Meanwhile sales to the wholesale trade and to restaurants in Austria and Switzerland continued to rise, and also increased in the Czech Republic following the full consolidation of *Global Wines & Spirits*.

The gross profit margin, which represents gross profit relative to sales revenues, fell slightly to 43.7 percent in the year under review (previous year: 44.2 percent).

This is attributable to the change in the sales mix, with a shift in sales from B2C to more B2B business. Thanks to the price increases applied, gross profit margins were raised in all segments or kept virtually steady despite higher purchasing and logistics costs.

Personnel expenses rose by 1.6 percent in the financial year to €76.2 million (previous year: €74.9 million). This is mainly as a result of the full consolidation of *Global Wines & Spirits*. In addition, in the previous year many employees from the B2B segment's sales force and from *Wein & Co.* were still on short-time, temporarily reducing personnel expenses.

The employee total rose by 68 to 1,261 in 2022. The bulk of this increase is attributable to the first-time full consolidation of *Global Wines & Spirits* in the Czech Republic in the financial year, which added 29 employees in the second half of the year (average of 58 employees in 2022). Elsewhere the increase was led by *Wein & Co.* in the Retail segment following the lifting of official restrictions in the restaurant trade and the reopening of bars, and by recruitment of internal personnel for customer service and logistics roles in the e-commerce segment.

GROUP EMPLOYEES*	2022	2021	<i>Absolute</i>	<i>Change Percent</i>
Retail	323	310	13	4.2%
B2B	257	229	28	12.2%
e-commerce	653	627	26	4.1%
Miscellaneous	28	27	1	3.7%
TOTAL, GROUP	1,261	1,193	68	5.7%

The geographical distribution of employees was as follows:

GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES*	2022	2021	<i>Absolute</i>	<i>Change Percent</i>
Germany	960	933	28	2.9%
Austria	249	236	13	5.5%
Czech Republic	29	-	29	n/a
Switzerland	23	24.5	-1.5	-6.1%
TOTAL, GROUP	1,261	1,193	68	5.7%

* Calculation based on average employees over the year; rounding differences possible

The advertising expenses include outlay for the acquisition of new customers and the reactivation of inactive customers. This is designed to broaden the business basis of the group year by year, and compensate for inactive customers. Advertising expenses climbed to the pre-coronavirus level in 2022, reaching € 49.3 million in the financial year (previous year: € 44.1 million). The increase is partly down to certain sharp rises in paper and shipping costs, and partly also to reduced advertising efficiency.

The commissions to partners comprise the expenses for the sales agents in the B2b segment and also commissions to the operators of *Jacques'* stores, and declined by 4.4 percent to € 45.7 million in the financial year. The fall in sales revenues in the Retail segment was the main factor here. Conversely there were higher commissions as a result of rising sales revenues for the B2B segment.

Shipping costs for the group fell slightly from € 41.5 million to € 41.0 million. The shipping costs ratio remained steady at 6.1 percent (previous year: 6.1 percent).

Other costs climbed by € 4.8 million to € 41.7 million in the financial year. This is largely due to the resumption of events and travel in the B2B segment, as well as to tastings at *Jacques'*

Consolidated EBIT in the 2022 financial year came to € 39.1 million, representing a fall of 26.4 percent. Within this, EBIT for the Retail and e-commerce segments fell, whereas EBIT for the B2B segment rose by more than 100 percent.

EBIT BY SEGMENT € '000	2022	2021	<i>Absolute</i>	<i>Change Percent</i>
Retail	18,712	26,091	-7,379	-28.3%
B2B	11,757	4,830	6,927	143.4%
e-commerce	15,637	31,453	-15,816	-50.3%
Miscellaneous	-7,153	-9,230	2,077	22.5%
Consolidation	125	-64	189	n/a
TOTAL, GROUP	39,078	53,080	-14,002	-26.4%

The financial result shows a net income of € 0.2 million (previous year: € -4.8 million), which was substantially attributable to interest expense for lease agreements and the measurement of put options for minority interest (interest expense 2022: € 4.4 million, previous year: € -4.8 million). The clear improvement in the financial result stems mainly from the measurement of the shares in *Global Wines & Spirits* which the group already owned in the past, at the time prior to full consolidation. The consolidated earnings before taxes for 2022 came to € 39.3 million, down € 8.9 million on the prior-year figure of € 48.3 million.

The effective tax rate increased to 33.5 percent in the year under review (previous year: 29.0 percent). This

was principally due to higher own assets capitalised in the previous year in connection with IT projects, which immediately triggered a fiscal expense and were not repeated to the same extent. Overall, after deduction of the tax expense there remained consolidated net income of € 26.2 million, which was € 8.1 million below the prior-year figure of € 34.3 million. The consolidated net income attributable to the shareholders of *Hawesko Holding SE* - excluding non-controlling interests - came to € 25.6 million (previous year: € 33.6 million).

Reported earnings per share were € 2.85 (previous year: € 3.74). The figures for both the year under review and the previous year are based on 8,983,403 shares.

NET WORTH OF THE GROUP

CONSOLIDATED BALANCE SHEET (ABRIDGED) €'000	31/12/2022	%	31/12/2021	%
ASSETS				
Cash in banking accounts and cash on hand	30,459	7.0%	52,861	12.1%
Inventories and advance payments for inventories	128,239	29.6%	123,561	28.2%
Trade receivables	48,948	11.3%	46,443	10.6%
Intangible assets	65,706	15.2%	51,345	11.7%
Property, plant and equipment, and rights of use	142,505	32.9%	136,847	31.3%
Deferred tax assets	4,498	1.0%	5,931	1.4%
Other assets	13,334	3.1%	20,558	4.7%
TOTAL ASSETS	433,689	100.0%	437,546	100.0%
EQUITY AND LIABILITIES				
Short-term and long-term borrowings	23,989	5.5%	19,128	4.4%
Trade payables	62,339	14.4%	67,895	15.5%
Contract liabilities	24,340	5.6%	24,433	5.6%
Lease liabilities	131,993	30.4%	133,493	30.5%
Provisions for pensions and similar obligations	2,337	0.5%	2,578	0.6%
Deferred tax liabilities	4,761	1.1%	1,702	0.4%
Other equity and liabilities	48,325	11.1%	55,625	12.7%
Equity	135,605	31.3%	132,692	30.3%
TOTAL ASSETS	433,689	100.0%	437,546	100.0%

Banking accounts and cash on hand fell year on year by €22.4 million to €30.5 million. As well as the shares of *Global Wines & Spirits*, minority interests in *Vinos* (€4.4 million) and *WirWinzer* (€4.1 million) were acquired in the financial year. In addition, €7.2 million was already invested in the expansion of the e-commerce logistics centre in Tornesch; this initially needed to be pre-financed largely from capital resources, prior to financing with a bank loan in the course of 2023.

Inventories and advance payments climbed by €4.7 million to €128.2 million. The increase is attributable entirely to the first-time full consolidation of *Global Wines & Spirits*, which shows inventories of €5.1 million in the accounts.

Trade receivables amounted to €48.9 million at 31 December 2022, a rise of €2.5 million. The increase comes from the B2B segment, especially from the first-time full consolidation of *Global Wines & Spirits*. The B2B segment accounts for around two-thirds of the trade receivables of the *Hawesko Group*. Major German grocery retailers in particular are generally granted much longer payment deadlines, resulting in the high receivables total. Customers in the restaurant and hotel trades are normally granted much shorter payment deadlines or must pay up front. In the B2B segment, credit default insurance is moreover taken out for most customers in the restaurant and hotel sectors to reduce the risk of non-payment. In the B2C segments Retail and e-commerce, because of the high proportion of credit card or debit card payments and

the fairly small proportion of purchases on account, the level of receivables outstanding relative to sales is lower. The *Hawesko Group* employs loan asset sales only in rare cases.

Intangible assets rose by €14.4 million to €65.7 million. €7.3 million of this amount is attributable to the goodwill of the company *Global Wines & Spirits*, in which a majority interest was acquired in the financial year. In the course of first-time consolidation, intangible assets for the brand and customer base amounting to €6.7 million were also identified. In addition, a further approx. €3 million was invested in digitalisation and modernisation projects such as digital commerce platforms and software implementation. On the other side of the equation there is depreciation of around €5 million from former business combinations and from investments in software and licences.

The property, plant and equipment and rights of use rose by €5.7 million in the financial year. The increase comes mainly from sums already invested in the expansion of the e-commerce logistics centre in Tornesch. The rights of use from capitalised lease agreements fell by €1.9 million, to €121.2 million at 31 December 2022. The bulk of rights of use applies to rented retail space at *Jacques'* and *Wein & Co.*, and also to office buildings.

Other assets mainly include participating interests not fully consolidated, loans extended and other financial and non-financial assets. There was a clear fall in other assets in the financial year following the acquisition of a majority interest in *Global Wines & Spirits* and repayments of loans and capital investments.

Despite the first-time full consolidation of *Global Wines & Spirits*, trade payables fell by €5.6 million to €62.3 million. The decrease is attributable to a lower volume of orders and the systematic reduction of the inventory level to reflect lower customer activity in the B2C segments.

The contract liabilities are mainly in respect of points balances promised to consumers under bonus/loyalty programmes, subscription payments collected for wines not yet delivered, and refunds promised to customers in the B2B segment.

Lease liabilities are in respect of future payments recognised as a liability from tenancy and lease agreements concluded, and like rights of use also fell by around €2 million.

As in the previous year, other liabilities also include the liabilities from the put option of the minority interest in *WirWinzer* and the liability to acquire the remaining shares in *Vinos*. Other liabilities furthermore include the liabilities from income tax expense, which declined in the financial year due to the lower pre-tax earnings.

The equity ratio was increased further in the financial year and is now 31 percent.

FINANCIAL POSITION OF THE GROUP AND PROFITABILITY

Principles and aims of financial management

The principles and aims of financial management are explained in the section “Management system, principles and financial targets”.

Capital structure

CALCULATION OF NET DEBT OWED €'000	31/12/2022	31/12/2021	<i>Absolute</i>	<i>Change Percent</i>
Loan liabilities	17,913	13,515	4,398	32.5%
Other borrowings (including credit facility)	6,075	5,613	463	8.2%
BORROWINGS	23,989	19,128	4,861	25.4%
Less cash in banking accounts and cash on hand	-30,459	-52,861	22,402	-42.4%
NET BORROWINGS FOR OPERATIONS	-6,470	-33,733	27,263	-80.8%
Provisions for pensions	756	1,056	-300	-28.4%
Lease liabilities	131,993	133,493	-1,500	-1.1%
NET DEBT OWED	126,278	100,816	25,463	25.3%

The capital requirements of the *Hawesko Group* comprise the capital expenditure on fixed assets and the financing of operating activities as well as the acquisition of further group companies in the course of external growth. For these purposes, the group finances itself largely through short-term bank loans, lease agreements and the cash flow from current operations. Within time-unlimited credit lines for the financing of current business operations (working capital), there exist short-term credit facilities with an unchanged volume totalling €70.0 million. At the reporting date these credit facilities were drawn to a level of 5.8 percent (previous year: 7.0 percent). At 31 December 2022 banking accounts and cash on hand exceeded amounts due to banks by €6.5 million.

The long-term and short-term financial liabilities consist predominantly of bank loans arranged with German banks on the basis of credit agreements, and lease liabilities according to IFRS 16. The contractual repayment obligations of *Hawesko Holding SE* within the credit agreements have been consistently met. There were no contractually agreed covenants. The existing credit facilities moreover assured adequate cash levels at all times during the year under review.

The long-term borrowings include €18 million in KfW financing concluded in 2022 for the expansion of the logistics hall in Tornesch near Hamburg. €2.6 million of the amount had been drawn at 31 December 2022. The financing of the purchase of *Global Wines & Spirits* also features in the increase.

The short-term loans mainly consist of rolling borrowings denominated in euros and Swiss francs, in each case with a maturity of between one and three months. For the terms of the borrowings and details of the lease liabilities, please refer to the section “Notes to the cash flow statement” in the notes to the consolidated financial statements.

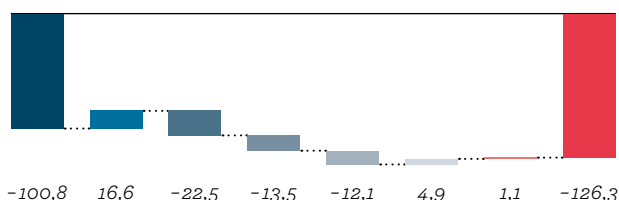
At 31 December 2022 there was net debt of € 126.3 million. This compares with € 100.8 million reported in the previous year. The increase in net debt is principally attributable to a fall in cash compared to gross debt owed. Amounts due to banks rose in connection with the start of the expansion of the warehouse building in Tornesch near Hamburg.

CALCULATION OF FREE CASH FLOW

The free cash flow fell year on year by € 20.7 million to € 16.6 million. The following effects influenced the development:

NET DEBT OWED

€ million



■ NET DEBT OWED 31/12/2021	-100,8
■ Free cash flow	16,6
■ Dividend	-22,5
■ Outpayment lease liabilities	-13,5
■ Payment for acquisition of minority interest	-12,1
■ Net borrowings	4,9
■ Other	1,1
■ NET DEBT OWED 31/12/2022	-126,3

CONSOLIDATED CASH FLOW € million	2022	2021
Cash flow from current operations	36,8	49,0
Cash flow from investing activities	-17,3	-2,1
Cash flow from financing activities	-42,0	-44,0
FREE CASH FLOW	16,6	37,3

CALCULATION OF FREE CASH FLOW € million	2022	2021
Cash flow from current operations	36,8	49,0
Less outpayments for the acquisition of intangible assets and property, plant and equipment	-16,0	-7,8
Plus inpayments from the disposal of intangible assets and property, plant and equipment	0,1	0,2
Less interest paid	-4,3	-4,1
TOTAL:	16,6	37,3

The cash flow from current operations fell from € 49.0 million in the previous year to € 36.8 million in the year under review. The decrease is mainly attributable to the decline in the operating result as well as the reduction in trade payables. The reduction in inventories (excluding first-time consolidation of *Global Wines & Spirits*) had a positive effect of just under € 1 million.

A major component of the cash flow from investing activities is the capital expenditure of € 7.2 million on the expansion of the e commerce logistics centre in Tornesch. Further capital expenditure mainly relates to the conversion and new construction of *Jacques', Wein & Co.* and *Vinos* branches and amounts to around € 3 million (previous year: € 2.6 million). There was also capital expenditure on intangible assets totalling just under € 5 million (previous year: € 3.6 million). This is mainly for investment spending on the modernisation of the IT structure in the Retail segment.

The cash flow from investing activities also includes the increased stake in *Global Wines & Spirits*. In July 2022 the *Hawesko Group* acquired 47.5 percent from the Unimex Group for a purchase price of € 9 million. This was offset in part by cash on hand and cash in bank accounts acquired in the course of full consolidation totalling € 2.2 million, leaving a recognised net investment of € 6.4. In December 2022 the previous minority interest acquired a further 15 percent of the shares in *Global Wines & Spirits* from the *Hawesko Group* via *TOMOT s.r.o.*, which it controls, for € 2.8 million. The purchase price was already paid in full in 2022. As there is no change to acquisition of control of the company and because the two transactions were not linked, the payments received from the sale of shares to *TOMOT* are recognised in cash flow from financing activities under "Inpayment from the sale of non-controlling interests with no loss of control".

The cash flow from financing activities includes payment of the dividend and special dividend to our shareholders (€ 22.5 million, previous year: € 18.0 million) as well as the redemption of credit and outpayments for lease liabilities as well as inpayments from the raising of borrowings in the amount of € 11.6 million. It also includes the acquisition of the remaining minority interest in *WirWinzer* and *Vinos*.

Overall free cash flow fell sharply to € 16.6 million (previous year: € 37.3 million) and is therefore slightly below the forecast range of € 18 to € 22 million.

PROFITABILITY

Alongside EBIT, the development in assets has a major influence on ROCE. The indicator ROCE is calculated as follows in the *Hawesko Group*: EBIT (€ 39.1 million) divided by the average capital employed of € 242.1 million [(capital employed at 1 January 2022 plus capital employed at 2022 balance sheet date)/2]. The ROCE achieved is at the lower margin of the range of 16 to 20 percent forecast in the previous year.

The interest-free liabilities comprise all liabilities less lease liabilities, loans and retirement benefit obligations.

GROUP IFRS €'000	01/01 - 31/12/2022	01/01 - 31/12/2021
EBIT (OPERATING RESULT)	39,078	53,080
Total assets	433,689	437,546
Less		
- cash	30,459	52,861
- deferred tax assets	4,498	5,931
- interest-free liabilities	141,346	151,926
CAPITAL EMPLOYED (REPORTING DATE: CURRENT YEAR)	257,386	226,828
Average capital employed (over the year)	242,106	218,943
ROCE	16.1%	24.2%

BUSINESS PERFORMANCE OF THE OPERATING SEGMENTS

Retail

ABRIDGED STATEMENT OF INCOME FOR RETAIL SEGMENT €'000	2022	<i>As % of sales</i>	2021	<i>As % of sales</i>	<i>Change</i>
SALES REVENUES	228,486		238,438		
Internal sales between segments	533		16		
Cost of materials	-117,307		-122,871		
GROSS PROFIT	111,712	48.9%	115,583	48.5%	0.4%P
Personnel expenses	-18,036	-7.9%	-17,175	-7.2%	-0.7%p
Advertising expense	-14,517	-6.4%	-12,840	-5.4%	-1.0%p
Commissions to partners	-39,977	-17.5%	-42,378	-17.8%	0.3%p
Freight and logistics costs	-4,088	-1.8%	-4,823	-2.0%	0.2%p
Other costs	-16,304	-7.1%	-12,604	-5.3%	-1.8%p
Other income	14,274	6.2%	14,227	6.0%	0.3%p
OPERATING RESULT FOR SEGMENT BEFORE DEPRECIATION/AMORTISATION (EBITDA)	33,064	14.5%	39,990	16.8%	-2.3%p
Depreciation and amortisation	-14,352	-6.3%	-13,899	-5.8%	-0.5%p
OPERATING RESULT FOR SEGMENT (EBIT)	18,712	8.2%	26,091	10.9%	-2.8%p

Like all B2C formats, the Retail segment benefited in recent years from the shift in consumer behaviour and from increased at home consumption due to restrictions during the coronavirus pandemic. This led to increased sales revenues but also to a marked fall in certain expense items such as tastings, which could not be held because of official restrictions. The progressive lifting of official restrictions led to a normalisation of business as anticipated, leading to a decline in sales and EBIT in the year under review.

Sales revenues for the Retail segment fell 4.2 percent from €238.4 million to €228.5 million. It nevertheless proved possible to increase the gross margin by 0.4 percentage points (%p) to 48.9 percent by adjusting prices and the range. At the same time there was a rise in expenses for personnel and advertising as well as other costs, especially from the reopening of food service at *Wein & Co.* and the resumption of tastings at *Jacques'*. Overall, this eroded the EBIT margin by 2.8 percentage points and produced EBIT for the segment of €18.7 million (previous year: €26.1 million).

B2B

ABRIDGED STATEMENT OF INCOME FOR B2B SEGMENT €'000	2022	<i>As % of sales</i>	2021	<i>As % of sales</i>	<i>Change</i>
SALES REVENUES	200,598		173,202		
Internal sales between segments	7,318		8,140		
Cost of materials	-145,905		-130,077		
GROSS PROFIT	62,011	30.9%	51,264	29.6%	1.3%p
Personnel expenses	-21,670	-10.8%	-21,117	-12.2%	1.4%p
Advertising expense	-3,932	-2.0%	-2,644	-1.5%	-0.4%p
Commissions to partners	-5,662	-2.8%	-5,438	-3.1%	0.3%p
Freight and logistics costs	-13,760	-6.9%	-12,232	-7.1%	0.2%p
Other costs	-7,990	-4.0%	-6,322	-3.6%	-0.3%p
Other income	5,161	2.6%	3,156	1.8%	0.8%p
OPERATING RESULT FOR SEGMENT BEFORE DEPRECIATION/AMORTISATION (EBITDA)	14,157	7.1%	6,668	3.8%	3.2%p
Depreciation and amortisation	-2,400	-1.2%	-1,838	-1.1%	-0.1%p
OPERATING RESULT FOR SEGMENT (EBIT)	11,757	5.9%	4,830	2.8%	3.1%p

B2B business experienced a marked recovery in 2022 thanks to the lifting of official restrictions in the restaurant and hotel sectors. In addition, the company *Global Wines & Spirits* was fully consolidated for the first time from 1 July 2022 as part of the B2B segment and contributed 15.1 million to sales growth in the 2022 financial year. The spirits business *Volume Spirits* launched in 2019 also contributed to sales growth with double-digit growth rates. Conversely, sales revenues from customers of food retailers were lower, reflecting the reduced level of at-home consumption.

The shift in the sales mix towards the restaurant and hotel trade improved gross profit by 1.3 percentage points. Meanwhile personnel expenses, advertising expenses and commissions to partners rebounded as planned as a result of the reactivation of sales representatives and the resumption of sales activities.

Other income includes the write-back of provisions amounting to € 2.0 million following the termination of litigation, whereas in the previous year this matter diminished the result for the segment by € 2.4 million. There was a healthy overall rise in EBIT for the segment to € 11.8 at 31 December 2022.

E-Commerce

ABRIDGED STATEMENT OF INCOME FOR E-COMMERCE SEGMENT €'000	2022	<i>As % of sales</i>	2021	<i>As % of sales</i>	<i>Change</i>
SALES REVENUES	242,398		268,877		
Internal sales between segments	1,243		1,630		
Cost of materials	-123,443		-136,249		
GROSS PROFIT	120,198	49.6%	134,258	49.9%	-0.3%p
Personnel expenses	-31,692	-13.1%	-30,965	-11.5%	-1.6%p
Advertising expense	-30,877	-12.7%	-28,531	-10.6%	-2.1%p
Freight and logistics costs	-23,500	-9.7%	-24,703	-9.2%	-0.5%p
Other costs	-15,513	-6.4%	-15,966	-5.9%	-0.5%p
Other income	1,980	0.8%	2,962	1.1%	-0.3%p
OPERATING RESULT FOR SEGMENT BEFORE DEPRECIATION/AMORTISATION (EBITDA)	20,595	8.5%	37,056	13.8%	-5.3%p
Depreciation and amortisation	-4,959	-2.0%	-5,603	-2.1%	0.0%p
OPERATING RESULT FOR SEGMENT (EBIT)	15,637	6.5%	31,453	11.7%	-5.2%p

Of all the operating segments, over the past two years e-commerce benefited the most from the shift in consumer behaviour during the coronavirus pandemic. The decline in sales revenues in the year under review of 2022 after the lifting of official restrictions was expected and forecast. Despite the fall of around 10 percent, the sales level for e-commerce in 2022 was more than 30 percent higher than in 2019 and there is every prospect of maintaining such high sales in the long term.

The e-commerce segment was equally affected by occasionally sharp price rises in purchasing and logistics. However these were mostly passed on to customers through the price and range policy, with the result that the gross margin fell by just 0.3 percentage points.

Personnel expenses increased by 2.4 percent mainly due to increased internal staff density in customer service and logistics. As a result of the permanently higher volume of business, the units in the segment reduced their use of outside personnel and relied

more on internal personnel, for reasons of efficiency. The costs of borrowed employees, recognised within other costs, therefore fell by € 1 million.

The cost of advertising rose by around € 2 million due to higher paper prices and reduced marketing efficiency. Expenses for advertising had been scaled back in both years of the pandemic due to high customer demand but rose again as planned in 2022. At the same time the freight and logistics costs ratio deteriorated by 0.5 percentage points due to increased shipping and packaging costs. Overall, this reduced the EBIT margin by 5.2 percentage points and produced EBIT for the segment of € 15.6 million (previous year: € 31.5 million).

COMBINED NON-FINANCIAL DECLARATION

For financial year 2022, Hawesko Holding SE publishes a combined non-financial declaration in accordance with Sections 315b and 315c in conjunction with Sections 289b to 289e of the German Commercial Code (HGB). Hawesko Holding SE presents a non-financial declaration for the parent company as well as a non-financial group declaration in the joint form of a combined non-financial declaration. The combined non-financial declaration is an unaudited section of the management report.

Particulars of the business model

The *Hawesko Group* is a wine trading group with operations primarily in Germany and Austria. The business model and the structure of the group are described in detail in the combined management report from page 24.

Sustainability as a corporate goal

It is our declared aim to align our entrepreneurial actions with the need to protect our environment. We do so by integrating ecological aspects into the corporate strategy, and thus carry the sustainable work done by winemakers in the vineyard right the way through to the consumer.

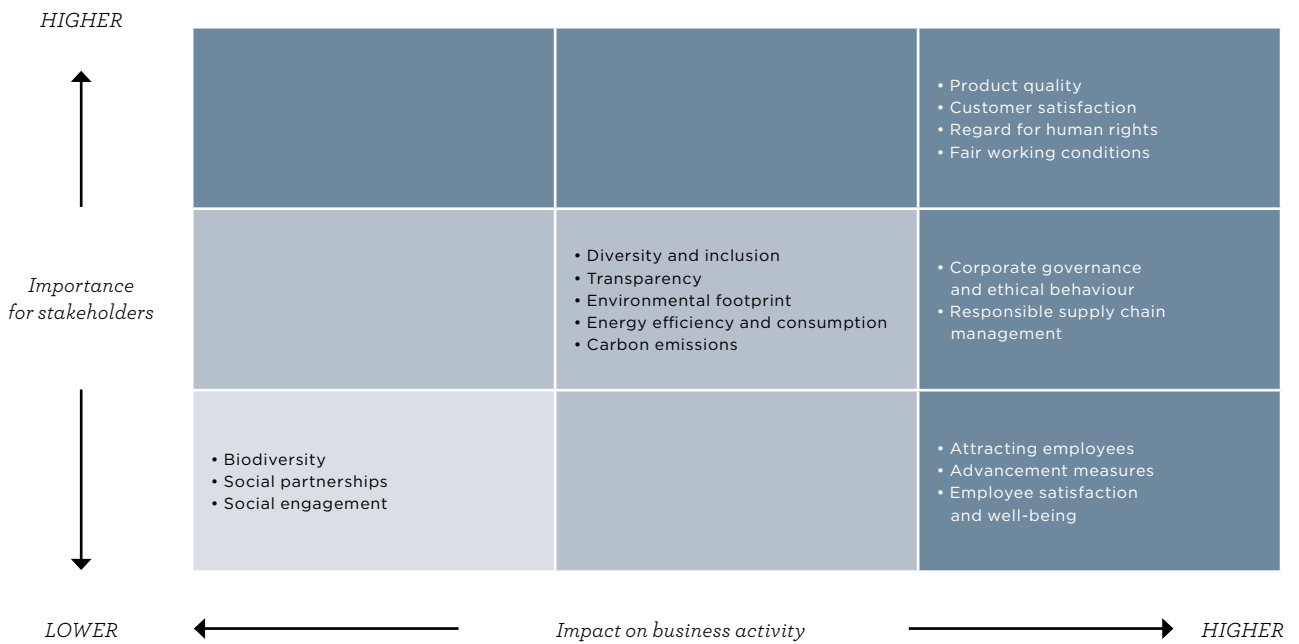
The *Hawesko Group* is committed to managing and overseeing the group and its formats sustainably, with the aim of increasing their value. By making its corporate principles transparent and allowing scrutiny of how they are evolving, it seeks to inspire, maintain and strengthen lasting confidence in the company among customers, business partners and shareholders.

As a trading company, the *Hawesko Group* is aware that responsibility for environmental, employee and social matters is not limited merely to the group, even if that is the only domain that we can influence directly.

The *Hawesko Group* consistently uses its influence in order to manage the supply chain sustainably. For that reason the *Hawesko Group* has revised the previous versions of its procurement standards and group-wide suppliers code. Our suppliers give assurance that they comply with the principles presented in this code.

Risk management identifies, evaluates and reviews potential risk to business development semi-annually. The review also covers social and environmental risks.

MATERIALITY MATRIX



Currently none of the topics addressed in this section represents a material risk to the business activity of the group. An overall picture of the risks faced by the *Hawesko Group* is presented in the remarks in the Risk Report from page 55.

The group’s corporate social responsibility (CSR) comes organisationally under the portfolio of the Chief Financial Officer. He collects and monitors CSR-related data, and reports on this to the full Board of Management and Supervisory Board.

Applicability of the EU Taxonomy Regulation

The EU Taxonomy Regulation represents a regulatory classification system for green economic activity and is divided into the following six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Waste avoidance and recycling
6. Protection and restoration of biodiversity and ecosystems

Pursuant to the provisions of the EU Taxonomy, economic activities are “environmentally sustainable” if they:

- make a substantial contribution to attainment of one or more of the six environmental objectives
- do not significantly affect attainment of the five other EU environmental objectives
- meet the minimum requirements for occupational safety and human rights

The classification of economic activities according to how far they make a substantial contribution is to be based on technical screening criteria. Suitable criteria are currently available only for the first two environmental objectives, so disclosures need only be made on these two for financial year 2022.

Economic activities are taxonomy-eligible if they can be matched to the screening criteria, and taxonomy-conforming if they also actually meet them.

We initially matched the economic activities of the *Hawesko Group* to the relevant taxonomy activities and matched these comprehensively to the EU environmental objective 1.) Climate change mitigation. Trading activities, and therefore the core business of the *Hawesko Group*, were not yet covered by the EU Taxonomy Regulation in the year under review. In light of this, only the acquisition and leasing of buildings such as office buildings and retail spaces are identified as a material taxonomy-eligible economic activity within the *Hawesko Group* (economic activity 7.7).

For this activity, we posted taxonomy-eligible capital expenditures (CapEx) of € 14.2 million in connection with the additions to our intangible assets and property, plant and equipment. This figure represents around 60 percent of all additions from capital expenditure or additions from rights of use, in agreement with the definition of the criterion for capital expenditures. Beyond that, we did not identify any further material capital expenditures (CapEx). There were moreover no sales or material operational expenditures (OpEx) in connection with taxonomy-eligible activities.

In establishing taxonomy conformity the *Hawesko Group* as lessee is dependent on documentation from third parties (lessors) because the assessment in the EU taxonomy refers exclusively to the acquisition of buildings. We are in discussion with our contractual partners to obtain evidence that can be used to determine taxonomy conformity. In spite of our efforts we are not currently in possession of any evidence that would allow assessment of the taxonomy conformity of capital expenditures; we therefore do not report any taxonomy-conforming capital expenditures for financial year 2022. We moreover report no taxonomy-conforming sales or operational expenditures.

Outlook on future reporting

The *Hawesko Group* expects that the delegated act on the four other environmental objectives will be published in the course of 2023, with especially the EU environmental objective on the transition to a circular economy affecting us; the scope of reporting will change accordingly.

ENVIRONMENTAL MATTERS

Sustainable product ranges

The *Hawesko Group* strives to generate the highest possible proportion of sales revenue and unit sales with sustainable wines. Sustainable products already account for 70 percent of sales.

Compared to other branches of agriculture, wine-growing is fundamentally characterised to some degree by a long-term view. The vines in a vineyard do not start to bear fruit until their third year and produce their most reliable yields after around 20 years. Even older vines are generally considered a rarity and the harvest is high in quality. By definition, winemakers therefore strive to conduct wine-growing sustainably.

The characteristics and attributes of high-quality wines in terms of taste and quality depend greatly on the local cultivation conditions as well as the methods of viticulture and vinification adopted by each producer. These may vary considerably between wine-growing region and producer. Consequently, various constantly evolving methods are used to operate in a sustainable and environment-friendly manner. But while national and regional regulations may vary, there is a growing trend worldwide towards conscious, sustainable viticulture, vinification and appropriate further processing.

The *Hawesko Group* constantly draws on its influence to balance the demands, expectations and positions of the various parties involved. In the purchasing sphere, the *Hawesko Group* unceasingly encourages its suppliers to adopt eco-friendly practices and support the use of organic methods of cultivation and vinification. Many producers are receptive to this input and have their processes adapted and certified accordingly.

Certified shop-based retailing

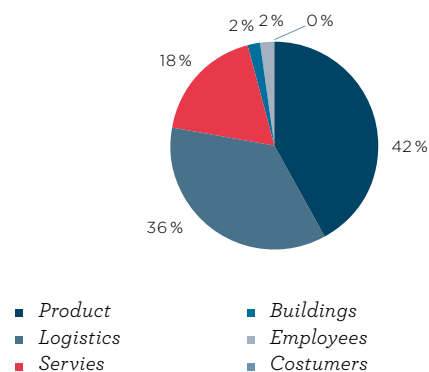
Jacques' designs its shop-based business to be sustainable. In 2022 *Jacques'* already obtained the "FAIR'N GREEN" seal of sustainability for around one-third of the more than 320 outlets run by independent agency partners. Around a further 100 outlets will receive certification in each of 2023 and 2024 and a rolling process of sustainable development will be established.

Carbon footprint

The *Hawesko Group* does not have production facilities and belongs in the commerce sector of the economy. To that extent the group has only indirect influence over how effectively the relevant environmental standards are complied with in the growing and production of the products it trades in. The impact of our business activity on the environment is therefore not comparable to that of businesses in manufacturing industry.

Taking the Greenhouse Gas Protocol as an established best-practice standard, a company's carbon footprint comprises direct emissions from controlled sources (Scope 1), indirect emissions through the production of purchased energy (Scope 2), and indirect emissions in the supply chain including upstream and downstream emissions (Scope 3).

CARBON EMISSIONS BY CATEGORY



Over 96 percent of the emissions of the *Hawesko Group* come under Scope 3. As a trader, our responsibility rests especially with the range, the shipping of goods and the packaging of consignments.

The objective of the *Hawesko Group* is to consistently reduce carbon emissions per bottle sold, thereby helping to protect the climate. For the product wine, the weight of the bottle is a carbon emissions driver that impacts the entire value chain. The lighter the glass bottle is, the lower the carbon emissions are in the manufacture, shipping and disposal of the bottle. The *Hawesko Group* has identified potential in optimising the weight of the bottle, and particularly for its private brands will look at the weight of the bottle as a priority issue when developing products in the future. In addition, pushing the establishment of the bag-in-box as an environmentally more beneficial form of packaging for wine is a strategy with which especially *Jacques'* is already a market leader.

For the shipment of goods from producers in Europe to our warehouses, we fundamentally engage only carriers that use vehicles equipped with state-of-the-art emission control and after-treatment technology. Where possible, rail or sea are used for sections of the itinerary. Shipments fundamentally use resource-friendly Euro pallets to DIN EN 13698, which can be used multiple times. Very energy-intensive air freight is virtually never used.

By using the "GoGreen" shipping option of DHL, the *Hawesko Group* has been offsetting elements of its environmental footprint since 2020. For parcels shipped "GoGreen", a surcharge is levied on the shipping cost and invested in environmental projects to compensate for the greenhouse gases generated.

Packaging

The companies of the *Hawesko Group* participate in the market-leading dual system run by BellandVision.

The companies of the *Hawesko Group* put a total of 40,331.1 tonnes of recovered packaging into the BellandVision dual system in 2021. Recovering this quantity of packaging avoided the equivalent of 14,655 tonnes of carbon emissions, which corresponds to the average annual carbon emissions of 4,470 cars.

98 percent of transport packaging used by the *Hawesko Group* is made from renewable raw materials (68 percent card, 30 percent paper).

EMPLOYEES, SOCIAL RESPONSIBILITY AND ENGAGEMENT

The expertise, experience and exceptional dedication of the employees are hugely important for the positive development of the *Hawesko Group* and its companies. It is they who ensure day in, day out that the group's customers receive outstanding advice and service, and that business partners and suppliers feel they and their products are in good hands.

Fair, non-discriminatory pay and continuing training are the hallmarks of human resources work in the *Hawesko Group*. Alongside professional skills, training covers personal and social skills. People with different backgrounds and strengths can maximise their potential in the *Hawesko Group*. It is a matter of course that employees are selected and remunerated without regard to such matters as age, gender, sexual orientation, skin colour or nationality. The *Hawesko Group* strives for diversity when filling positions.

When filling management functions and recruiting for its formats, the *Hawesko Group* has the long-term goal of achieving a gender balance that reflects the employee structure. The proportion of women among management is currently 29.7 percent.

In financial year 2022 the group had a total of 24 employees who were classified as severely disabled (previous year: 25), equivalent to 1.9 percent of the workforce (previous year: 2.0 percent).

Qualifications and training

The continuing upskilling of employees enjoys a high status throughout the entire group. Our goal is to recruit over 70 percent of managers for the group internally. Only well-trained employees will be capable of achieving the high standards that the markets and customers expect. We therefore provide both demand-led training and specific advancement.

Across the companies, the *Hawesko Group* offers a wide-ranging corporate trainee programme for future managers of the group companies. The *Hawesko Group* also provides a wide range of options for school-leavers as part of a successful drive to attract young talent. Those at the start of their career can also train in information technology and warehouse logistics. In partnership with a number of universities, it provides dual and part-time courses of study.

The advancement measures available within the Group include courses designed to build up individual employees' personal performance profiles and their knowledge of wine, champagne and spirits, as well as develop their personality. Future executives receive professional and personal development across all segments through the Junior Executive Programme (JEP!). Then there is the Executive Programme (EP!). Aimed at executives who already possess experience, EP! forms a valuable part of their professional and personal development.

Health and family

The *Hawesko Group* has implemented occupational integration management arrangements across the group and many business units also offer occupational health management. The compatibility of professional and family life is an important concern for the *Hawesko Group*. Employees can obtain personal advice on the topics of maternity leave, parental leave and parental benefit payments. Flexible working hours models are a matter of course, subject to operational constraints.

Corporate social benefits and retirement benefits

A wide range of fringe and welfare benefits is available to the employees of the *Hawesko Group*. *Hawesko Holding SE* is a member of the Pensionskasse des Handels pension fund. Our membership gives all domestic employees of the group access to effective retirement benefit arrangements, including cover for invalidity and surviving dependants. Thanks to the combination of employer subsidies and individual salary sacrifice, contributions can be made directly into a reliable pension fund with no tax and social insurance repercussions.

Responsible handling of alcohol

As one of the oldest alcoholic beverages known to humankind, wine has a tradition stretching back more than 5,000 years. Over the centuries, wine has become established as an aspect of life, culture and nutrition. Over time, the role of wine has changed from an important food source to a cultural symbol, then a drink to complement food and good company. The art of wine growing and wine production, too, has evolved. Certain wine regions have even been recognised by UNESCO as world heritage sites.

For many winemakers, their profession is also a vocation and they therefore go about their handicraft with passion and meticulous care. They staunchly uphold those values that have always been the hallmarks of a good wine: the vine, the terroir and the skilled work that is done at the winery. Wine is a

natural product that bears the imprint of where it is grown and is brought to perfection by the people who produce it. Scarcely any other beverage has greater capacity to delight than wine. Perhaps that is because of its variety. There are hundreds of varieties, incredibly diverse terroirs and many, many thousands of producers. That alone is an initial indication of how wide-ranging and fascinating wine can be.

For all its positive attributes, wine always contains alcohol too. Whenever alcohol is consumed in excess, there is an increased risk of long-term illness and dependence that can be detrimental to quality of life and health. For that reason, we as a wine trader regard it as very important to educate our customers and employees in the potential dangers involved in consuming alcohol and to recommend that wine is always enjoyed in moderation.

Within the group, we support a range of initiatives to promote the responsible consumption of alcohol. These include the “Wine in Moderation” (WiM) initiative of the German Wine Academy (www.deutsche-weinakademie.de) and the “Maßvoll Geniessen” (“Enjoy in Moderation”) initiative (www.massvoll-geniessen.de). We provide anonymous counselling for our employees and hold internal training to draw attention to the problems of alcohol abuse and dependence.

Youth protection

As the high-quality products sold by the *Hawesko Group* encourage conscious, appreciative consumption in moderation by their very nature and their positioning in the premium segment, they lend themselves less to abuse than other alcoholic beverages. The *Hawesko Group* is nevertheless mindful of its responsibility to prevent alcohol abuse. In accordance with youth protection legislation, the *Hawesko Group* sells alcoholic beverages only to persons over the age of 18 (in Sweden: over the age of 20). The date of birth must be supplied for orders placed in online shops. Parcels are marked with a red sticker displaying the instruction that they may not be handed over to

persons under the age of 18. If in any doubt whatsoever, delivery agents are also obliged to check the ID of the person taking receipt of a consignment to verify their age.

COMBATING BRIBERY AND CORRUPTION

All employees of *Hawesko Group* companies are obliged to know the statutory provisions and internal regulations that govern their work and must observe these in the course of their activities. The *Hawesko Group* is committed to fair competition and fair contractual arrangements with its business partners and therefore observes all regulations, above all competition and antitrust law as well as consumer, environmental protection and privacy law.

The good reputation of the *Hawesko Group* and its economic success depend critically on how we conduct ourselves in the everyday course of business. There is no alternative to personal integrity and healthy judgement. The *Hawesko Group* attaches importance to fair and lawful business dealings, and to avoiding conflicts of interest. The group does not tolerate any form of corrupt behaviour and distances itself from the merest suggestion of the same. This applies to both passive and active corruption. Openness and integrity are very important in our dealings with each other. We consider ourselves bound by high ethical standards. The *Hawesko Group* has taken a clear stance on all forms of bribery and corruption. The group and its companies hold regular compliance training.

The group’s business partners and their entities are aware of the group’s position on lawful and loyal behaviour. Our code of conduct can be viewed at <https://www.hawesko-holding.com/en/corporate-governance/>.

Whistleblowing hotline

The whistleblower system of the *Hawesko Group* rests on two pillars. In addition to the internal channel of reporting to the manager, the executive management and the compliance officer, there is a whistleblowing hotline operated by an independent, external mediator. Employees and external parties may report unethical or unlawful conduct to the latter, with an assurance of anonymity if requested by the whistleblower. The guideline on the whistleblower system is available to third parties and business partners of the *Hawesko Group* at <https://www.hawesko-holding.com/en/corporate-governance/>. The *Hawesko Group* supports civic courage. Reprisals against whistleblowers are not tolerated.

REGARD FOR HUMAN RIGHTS

All conduct guidelines of the *Hawesko Group* are based on the principles of the Universal Declaration of Human Rights and the United Nations Global Compact. To uphold ethical corporate governance, all employees, managers and the company as a whole are obliged to observe the laws of the Federal Republic of Germany or their respective country.

The *Hawesko Group* expects all employees to be treated fairly and to have their rights and privacy respected. No discrimination on the basis of gender, disability, ethnic background, nationality, religion or belief, age, sexual orientation or other characteristics protected by law is tolerated. The *Hawesko Group* does not tolerate any harassment or bullying in the workplace, nor any related discrimination.

EXPECTED DEVELOPMENTS, OPPORTUNITIES AND RISKS REPORT

REPORT ON EXPECTED DEVELOPMENTS

General economic situation

Anticipated future developments in economy as a whole

The International Monetary Fund (IMF) upgraded its forecast for the global economy in the current year. One reason is China's abandonment of its strict zero-COVID policy. The IMF expects global real growth of 2.9 percent, having forecast 2.7 percent last October. The consequences of the war in Ukraine and continuing high inflation are therefore being absorbed somewhat better than originally feared. The IMF thus forecasts 0.7 percent growth for the eurozone - up from 0.5 percent in its October forecast. Last year, economic growth in the eurozone was all of 3.5 percent. For 2024, the IMF is forecasting a slight acceleration in global growth to 3.1 percent. There are continuing fears that the drastic interest rate rises of central banks will dampen demand.

According to the Federal Statistical Office (Destatis), gross domestic product (GDP) contracted by 0.2 percent in the fourth quarter of 2022 compared with the preceding quarter. Most experts believe a further contraction lies ahead in the first quarter of 2023. If economic output falls yet again, Germany would be in a technical recession. The German government expects slight economic growth for 2023 with GDP reaching 0.2 percent, in a turnaround from October, when GDP had been expected to fall by 0.4 percent.

Households' nominal disposable incomes are expected to rise by 4.9 percent on the previous year in 2023. This is primarily the result of relief packages. Consumer demand is expected to be muted due to high rates of inflation. It is currently assumed that consumer spending, after deduction of the inflation rate, will fall by a price-adjusted 0.2 percent (previous year: 6.0 percent).

World wine market in 2023: mixed performance for European wine production in 2022

The International Organisation of Vine and Wine (OIV) estimates wine production in 2022 at 258 to 262 million hectolitres; this would be below the average total for the past 20 years (2000 - 2019: 270 million hectolitres). The European Union's production output for 2022 is estimated at 157 million hectolitres (previous year: 154 million hectolitres) but will vary from one wine-producing country to another due to weather factors. The harvest figures for Italy, France and Germany are expected to be good. By contrast, part of the harvest in Spain was lost due to the long hot spell in the summer.

Future situation in the trade

Despite subdued consumer confidence the German market should show a steady performance in 2023. The Board of Management considers that it should be possible to maintain the current sales and volume levels in the premium segment. The *Hawesko* Board of Management expects that already long-established trends in the upscale market segment will continue and be aided by demographic change. In other countries in Central Europe, the trends in wine consumption that can be observed fundamentally resemble the pattern in Germany.

The existing quality trends will moreover continue in 2023 and will define the market: there is growing professionalism in the world of wine, consumers are becoming increasingly discerning, and Europe will remain a focal area of global wine consumption. Outside Europe, there are already signs that wine consumption is rising - a development that will continue. The consequence of this is that the virtues the *Hawesko Group* has carefully nurtured over many

decades are more important than ever as unique selling propositions in the marketplace: its extensive range of top-class wines, knowledgeable handling of the product wine, experience in specialised warehousing and shipping logistics as well as the ability to keep delighting customers and retain them through high service commitment and quality are key to the group brands' high recognition in the wine market.

Anticipated financial performance

The 2022 financial year was characterised on the one hand by the end of increased at-home consumption during COVID-19 restrictions and on the other hand by high inflation and an adverse consumer climate; the Board of Management of the *Hawesko Group* likewise expects the 2023 financial year to be a challenging one.

We anticipate that the restaurant and hotel trades will continue to recover as people feel the need to catch up after more than two years of pandemic. At the same time we expect to see at least a temporary trend towards restrained purchasing behaviour among customers, as well as towards lower bottle prices because of continuing inflation and downbeat consumer sentiment. That will be especially marked in the e-commerce segment due to the relatively high value of shopping baskets (above €100) and the shipping costs thresholds. The first quarter of 2022 in particular was still dominated by high at-home consumption, and we therefore expect a sharper decline in earnings in the first quarter of 2023, followed by a more moderate change in subsequent quarters.

We therefore anticipate a slight decline in sales revenues in the e-commerce segment, mirrored by a slightly lower EBIT margin. The Retail segment, by contrast, will be affected less acutely because it is perceived as business that deals in everyday consumer goods with lower-value shopping baskets, so our planning is based on steady customer numbers and a slight rise in sales revenues. Thanks to the positive development in profitability at *Wein & Co.* we also expect a slightly higher EBIT margin. The B2B segment will benefit from the recovery in the restaurant

trade and the full-year effect of the consolidation of *Global Wines & Spirits*, and here again we expect a slightly upward trend in sales and EBIT margins.

However the Board of Management believes the improved sales and profitability in the B2B and Retail segments will not compensate fully for the contraction in e-commerce. Especially in the e-commerce and B2B segments, we will therefore act to safeguard profitability in the financial year despite the shift in the economic environment. In 2023, the measures will therefore diminish EBIT at the companies affected by an amount in the mid single-digit million range.

All in all, the Board of Management expects a year-on-year sales performance of +2 to -3 percent and EBIT before possible restructuring costs of €37 to €42 million.

The Board of Management anticipates free cash flow in the order of €18 to €22 million for 2023, revealing the effect of the costs for the planned extension of the e-commerce warehouse in Tornesch near Hamburg. It moreover expects ROCE of 14 to 18 percent for 2023.

The Board of Management will announce its assessments and expectations based on the latest developments in the customary manner in the quarterly reports and interim report.

Anticipated financial position

To finance the extension of the e-commerce logistics centre on which work started in 2022, a long-term KfW loan was raised and will be drawn steadily until the project's completion at the end of 2023. It is assumed in the *Hawesko Group's* financial planning that any planned capital expenditure over and above that, both within property, plant and equipment and intangible assets and within working capital, as well as dividend payments, can be financed from ongoing cash flow.

The current plans do not envisage other long-term investments or acquisitions.

Overall statement on the anticipated development of the group

In light of the individual factors outlined and its assessment of how the wine market will develop, the Board of Management considers a steady upward development in the *Hawesko Group* to be achievable. It continues to attach high priority to sales growth. The Board of Management also wants growth to be profitable. Consistently exceeding a return on capital employed (ROCE) of 14.0 percent remains an important benchmark.

OPPORTUNITIES REPORT

Opportunities mean potential positive departures from the expected economic environment and the economic situation of the *Hawesko Group* as outlined in the report on expected developments. The group therefore distinguishes between market-related, strategic and operational opportunities.

Market-related opportunities

Market-related opportunities may arise especially if the energy crisis and the related problem of high inflation are overcome more swiftly, triggering positive economic effects in the relevant markets of the *Hawesko Group*. In such a scenario the purchasing power of consumers would reach pre-crisis levels and could increase their propensity to spend money on wine and encourage them to resume enjoying more upmarket wines. There are other market-related opportunities in the easing of the entire supply chain over the medium term, resulting in price reductions for wine, paper, energy and logistics services.

In terms of the competitive environment, opportunities could arise from continuing market consolidation in the premium wine trade. This could drive growth at existing *Hawesko Group* companies, as well as create attractive opportunities for acquisitions in Europe. The *Hawesko Group* has solid financial ratios and superior financial strength to most of its competitors, and could therefore profit from such situations.

Demographic developments in its markets could also create opportunities for growth for the *Hawesko Group*. As the general population rises, there are more older people who have the time and money to enjoy premium wines. Premium wines are generally not mass-produced on an industrial scale; they are craft products usually made in tune with the principles of sustainability and in harmony with nature. There is growing awareness of sustainability and environmental impact, especially among younger wine-drinkers. At the *Hawesko Group*, we could benefit long-term from this trend thanks to our consistent positioning in the premium segment.

Strategic and operational opportunities

The *Hawesko Group* creates strategic and operational opportunities by rigorously applying its business strategies.

For the Retail segment, the accelerated drive to implement the “*Jacques’ 500*” shop expansion strategy is creating opportunities. This strategy identifies potential for around 500 *Jacques’* shops in Germany. The continuing trend in German retailing towards B and C locations could create opportunities for *Jacques’* to expand through a broader range of sites.

During the COVID-19 restrictions we extensively restructured the B2B segment, reorganised its HR and invested especially in the nationwide sales structures, creating opportunities to acquire new customers and build on existing customer contacts. In the B2B formats there could also be opportunities for acquisitions or joint ventures elsewhere in Europe, along the lines of *Global Wines & Spirits*.

In the e-commerce segment a taste-based KI algorithm developed centrally in recent years creates fresh opportunities for medium-term growth. This creates fresh potential for proposing a more personalised offering to the customer and adopting a more targeted approach at the purchasing end. The current process of integrating marketplace models into existing formats and rolling them out internationally could also create sales opportunities.

The wider use of KI-based systems fundamentally offers scope for greater efficiency across the entire *Hawesko Group*. Opportunities to boost efficiency could arise especially in the core processes at the call centres and customer service as well as in various back-office functions.

RISK REPORT

Principles of risk management

The core tasks of the Board of Management of *Hawesko Holding SE* include the strategic management of the group. Based on intensive observation of the competitive environment, changes and developments to national and international markets and the business environment are analysed. The group management translates the findings of these analyses into a plan of action for safeguarding and building on the company’s success over the long term.

In the context of its activities in its sales markets, the *Hawesko Group* is exposed to the fundamental risks that go hand in hand with entrepreneurial activity. Risks are defined as events or possible developments within and outside the group that can adversely affect the companies or the attainment of corporate targets, or restrict the entrepreneurial leeway of members of the Board of Management or executive management. The Board of Management has established a modern, comprehensive risk management system that is moreover continuously refined and brought in line with external requirements. The early identification of risks is of major significance and is achieved by means of a risk early warning system implemented group-wide, the binding principles of which are laid down in a risk management guideline.

The risk management system covers all organisational regulations and measures for identifying risks and handling the risks that are inherent to entrepreneurial activity. It encompasses all subsidiaries. Risks are allocated to standard, predefined categories and documented in a risk inventory. The risks identified are then evaluated on the basis of their probability and the loss they would involve. They are managed by defining and regularly examining countermeasures to limit the risks identified. The risk management system processes are identical for the entire group and are controlled by the risk manager and the risk management officers in the operating segments.

Internal Control System (ICS)

Our internal control system covers all principles, methods, measures, guidelines and controls that have the purpose of organisationally implementing the management's decisions

- to assure the effectiveness and cost efficiency of business activity (including protecting assets, including preventing and detecting damage to assets),
- on the adequacy and reliability of internal and external financial reporting, and
- on compliance with the relevant legal requirements to which the company is subject.

As a core component of our central and non-central internal management and supervisory processes, the ICS comes with appropriate responsibilities and is regularly updated in line with the prevailing situation. It serves as the basis for assuring compliance with both internal and external requirements.

The guidelines of the *Hawesko Group* include in particular:

- the whistleblower system guideline,
- the suppliers code,
- the risk management guideline,
- the code of conduct for employees, and
- the social media guidelines.

The group Board of Management bears overall responsibility for the internal control system and risk management system in respect of the financial reporting processes at the consolidated companies and the group financial reporting process.

Description of the key features of the ICS with regard to the financial reporting process for the group parent and group

The ICS for the group companies and for group financial reporting is a key component of the reporting system and therefore of the internal management and control system.

As part of the internal control system, the risk management system methodically records and evaluates the risks identified as part of the risk inventory conducted annually. In respect of group financial reporting, the aim of the risk management system is to reflect the risks appropriately in the consolidated financial statements (for example, through the creation of provisions) and thus to limit the risk of incomplete presentation of the net worth, financial position and financial performance.

The Supervisory Board, in this context specifically the Audit and Investment Committee of *Hawesko Holding SE*, is involved in the financial reporting process for the group parent and group, and deals with such matters as key questions of financial reporting, risk management as well as with the audit mandate and its priorities.

The ICS in respect of the financial reporting process

The clear structures of organisation, control and monitoring established within the *Hawesko Group* focus on the complete and accurate recording of all business transactions that are relevant for financial reporting purposes. The application of uniform recognition and measurement principles for the companies included in the consolidated financial statements, taking account of the requirements of the IFRS, is assured in the *Hawesko Group*.

The general organisation of the Accounting department and the involvement of the divisions participating in the processes that are relevant for financial reporting purposes are handled in such a way that there is an appropriate degree of separation between approval,

executive, invoicing and controlling functions for a company of this size and sphere of activity. This separation of functions enables extensive preventive and disclosing controls in all material business processes throughout the group that have been implemented by the management, based on an assessment of the inherent risk of the individual processes and the controlled environment in question. The manual controls are supplemented by corresponding IT process controls and IT authorisation concepts.

Complex questions of measurement such as are needed e.g. for measuring provisions for pensions or derivative financial instruments, or for performing purchase price allocations, are examined in consultation with external independent specialists.

The ICS in respect of the consolidation process

The processes that are relevant for financial reporting purposes are recorded in local standard bookkeeping systems for the separate financial statements of the subsidiaries. For preparation of the consolidated financial statements, the separate financial statements as well as supplementary standardised information are fed into consolidation software, using a corresponding authorisation concept, and examined by Group Accounts. The ICS of *Hawesko Holding SE* is designed to ensure that financial reporting by the company and by all companies included in the consolidated financial statements is uniform and in agreement with the legal and statutory requirements as well as internal guidelines.

All consolidation processes and the reconciliation of the local separate financial statements with IFRS financial reporting standards are carried out and documented by the Corporate Finance central department. A lease accounting tool is used to handle accounting in accordance with IFRS 16. The internal and external data required for the notes to the consolidated financial statements and the group management report is also evaluated and consolidated at group level using a newly introduced, mainstream tool. The effectiveness and adequacy of Group Accounting

in preparing the accounts are overseen directly by the Chief Financial Officer or the individuals appointed by him to perform that task within Group Accounts.

Evaluation of appropriateness and effectiveness (unaudited management report section)

In accordance with the recommendations of the German Corporate Governance Code 2022 (GCGC) the Board of Management has given in-depth consideration to the appropriateness and effectiveness of the risk and compliance management system and of the internal control system and not raised any material objections.

Risks

In addition to the general business risk, the group is exposed to the risks explained in the following. Over a one-year horizon these are classified in the basic

scenario in descending order as A, B and C risks depending on the anticipated loss. Please refer to the following diagram. The losses stated are a net view with the impact on EBIT. A and B risks are considered more closely in the following.

Loss (€million)	1) Very high (>5)	B	A	A	A	A
	2) High (2.5 to ≤5)	B	B	A	A	A
	3) Moderate (1 to ≤2,5)	B	B	B	A	A
	4) Low (0.25 bis ≤1)	C	C	B	B	A
	5) Very low (bis 0.25)	C	C	C	C	B
	5) Very low (0 to <10)	4) Low (10 to <25)	3) Moderate (25 to <50)	2) High (50 to <75)	1) Very high (75 to 100)	
	Probability (%)					

Public debate on alcohol and advertising bans or restrictions

For quite some time the European Union has been debating whether to restrict the advertising of alcoholic beverages throughout the EU; in Sweden the discussion has intensified since autumn 2016. Even if such measures were to be passed, the *Hawesko* Board of Management believes advertising bans for alcoholic products would probably not result in lower wine consumption in the medium term. Depending on what specific form any restrictions on advertising were to take, such an advertising ban could nevertheless have a significant impact on the business operations of the *Hawesko Group*. Based on its market position and product range, however, the Board of Management considers that the group would barely be affected by a public debate aimed at encouraging consumption of alcohol only in moderation.

The risk from the public debate on alcohol and advertising bans or restrictions is classified as an A risk, with a high probability.

Inflation and dependence on economic cycle

The invasion of Ukraine by Russian forces will leave a big mark on global economic development. It is not yet possible to forecast the full extent of this event's impact on the goods and financial markets. However it has clearly influenced already-high energy prices, with price increases for other goods and services compounding the situation. Inflation is expected to remain high in Germany in 2023; this could potentially further depress consumption by private households, and with it the general business trend.

The risk of sustained high inflation and general dependence on the economic cycle is rated as an A risk with a very high probability.

Growing competition

The wine markets in Germany, Austria and Switzerland exhibit growing competition. New market participants are entering the market and attempting to capture market shares as swiftly as possible. As such market participants do not have a customer base that has been built up over decades, nor a level of specialist expertise comparable to that of the *Hawesko Group*, they try to gain market shares through price. They succeed in this to some extent by using special offers and discounts, with the result that the high price transparency of online offers can increase the pressure on prices and margins for all market participants and erode profitability. Although this approach does not fundamentally threaten the business models of the *Hawesko Group* with their focus on expertise, service and sustained growth, it hinders the acquisition of new customers and inflates the cost of this process. The effects of more intense competition are built into the plans and risk assessments of the *Hawesko Group* entities but for a variety of reasons are not fully foreseeable. The *Hawesko Group* attempts to cushion these effects by offering an extensive product range expertly and by striving not to be dependent on individual wines or producers. Furthermore, the group subsidiaries endeavour to include unique products and specially bottled wines in their range to avoid direct comparison.

The risk from growing competition is classified as an A risk with a high probability.

Failure of IT hardware and software

The steadily growing share of transactions handled online, specifically in the distance-selling area, also increases awareness of the availability of the web shops operated by the *Hawesko Group*. Equally, all key business processes of necessity rely on the IT infrastructure and are dependent on its proper functioning. A failure, especially if it were for an extended period, would result in significant sales losses and have direct economic consequences. The issue of IT security and availability, especially bearing cyber crime in mind, is closely managed and updated swiftly to reflect new threat scenarios.

The risk from the failure of IT hardware and software is classified as an A risk with a high probability.

Wine as a natural product: marketability and fitness for consumption, quality, possible negative effects

Wine is a product of nature which accordingly exhibits variations in quality from year to year, and also depending on variety and location, under the influence of the weather, the individual locations and the fermenting processes. This variation affects prices and influences demand for individual products. On the strength of its many years of experience in the wine market, the *Hawesko Group* is able to limit the impact of these risks, but it can never exclude them entirely.

The *Hawesko Group* is not dependent on specific suppliers. In no individual instance do the sales generated by products from a single producer exceed the level of 5.0 percent of consolidated sales.

Quality assurance for the wines we buy starts with a visit to the vineyard where they are produced, and continues with tests conducted on the end product by recognised laboratories. Quality problems are rare. The winemakers know the *Hawesko Group* and the high standards it expects; moreover, they pride themselves on the quality of their wines. If a breach of the current laws or guidelines on consumer or product protection should nevertheless occur and should this result in a recall campaign or sales ban for the product in question, this could in turn entail additional costs. Such a breach by a competitor could equally have a media impact that could spread across the whole wine industry, including the *Hawesko Group*. In such an instance, there would be a danger of lost sales.

In the year under review, only an insignificant proportion of deliveries was rejected by the *Hawesko Group's* companies for quality reasons.

The risk from the constellation marketability and fitness for consumption, quality and possible negative effects is classified as a B risk with a medium probability.

Loss of the highest-volume suppliers

Business is influenced to a substantial degree by the ability of the *Hawesko Group* to maintain agreements securing it the status of exclusive distributor for renowned wine producers. If an existing agreement were not to be extended, sales would suffer in the short term. Supply bottlenecks as a result of the failure of harvests may in exceptional cases affect the availability of certain products. The Board of Management assumes that this risk is reduced by spreading the product range across multiple suppliers.

The risk from the loss of the highest-volume suppliers is classified as a B risk with the probability varying from supplier to supplier.

Public debate on duty on alcohol

For some years it has been debated in the European Union whether higher duty should be levied on alcoholic beverages throughout the EU. Even if such measures were to be decided, the *Hawesko* Board of Management believes that higher duty on alcoholic products would probably not result in lower wine consumption in the medium term. Efforts to cushion increased duty could erode the trading margin.

The risk from the public debate on duty on alcohol is classified as a B risk with a very low probability.

Data protection and protection of data against unlawful actions

Hawesko's Retail and e-commerce segments each acquire a considerable portion of their new customers by methods covered by the "list privilege", but have equally undertaken to use customer data responsibly. Core aspects include regular training for employees on the General Data Protection Regulation (GDPR), a corresponding user rights concept, the logging of all access to personal data and compliance with the regulations concerning the storage of customer data on mass storage media. In addition there is regular optimisation of the internal processes (including

with external expert support) and of the IT infrastructure. The data protection area is closely intertwined with information security, a topic that is regulated by the Compliance Guideline of the *Hawesko Group*. Data protection audits as well as regular IT security checks have been and are carried out by external consultants.

The risk from the data protection area is classified as a B risk, with a very low probability.

Logistics risks

Business and private customers alike today expect goods to be delivered and available as swiftly as possible. High-price and premium products such as those sold by the *Hawesko Group* are no exception. While late delivery for B2B customers (resellers and restaurant trade) and to our shops may lead to lost sales, a failure to deliver goods ordered by end customers in time for a particular occasion, for example, can spoil their enjoyment of the product. Customers will remember what they perceive as late delivery or unavailable products as a negative service experience and this may prompt specifically new customers to switch suppliers. The *Hawesko Group* is therefore eager to implement intelligent purchasing management to keep as many products as possible available immediately. Alongside this, it works solely with reputable partner enterprises on the logistics side. All logistics processes focus on keeping goods traffic as efficient as possible and are constantly being refined to create demand-led logistics. Delays in delivery due to extreme weather are difficult to foresee.

The risks from the logistics area are classified as a B risk with a medium probability.

Financial risks

There exist a number of financial risks within the *Hawesko Group*. These include above all influences of exchange rate and interest rate movements, as well as the non-payment and liquidity risk. Risks from the use of financial instruments are not material for the *Hawesko Group*.

The subsidiaries of the *Hawesko Group* are importers of wines traded internationally, and as such are to a limited extent affected by exchange rate movements outside the eurozone. However imports are overwhelmingly from within the eurozone.

To a minor extent the refinancing of the *Hawesko Group's* working capital requirements takes the form of loans which are taken out at current interest rates. Dependence on interest rate movements is thus low. As part of centrally controlled liquidity management, sufficient funds are kept available to the *Hawesko Group* for ongoing business and for capital expenditure. The risks from receivables are limited by credit checks and credit management systems.

The risks from the financial area are classified as a B risk with a medium probability.

Personnel risks

In many areas of the *Hawesko Group*, attracting and holding onto employees with specialist expertise is an elementary factor of long-term successful entrepreneurial development. By this we mean especially the areas of IT development, which programs web shops as well as other IT systems and interfaces, and employees with outstanding expertise in wine. Personnel risks exist especially if it is not possible to find sufficient numbers of specialists in the medium to long term due to demographic and technological change. Meanwhile inflation-led rises in consumer and energy prices could prompt (future) employees to expect higher wage or salary levels. The *Hawesko Group* addresses these risks by actively and effectively positioning itself as an attractive employer.

The risks from the employee are classified as a B risk with a medium probability.

Risks from misprints in marketing materials

Despite stringent quality controls, misprints could theoretically occur in the production of advertising or marketing materials. This could result in advertising containing incorrect terms, articles or prices, for example. The possible consequences of this could then include annoyed customers, lost sales, the irritation or even loss of a supplier, all the way to cease-and-desist orders.

The risks from misprints in marketing materials are classified as a B risk with a medium probability.

Risks from emergency losses

The risk from emergency losses means in particular a fire or similar event that could in theory result in the complete loss of a group logistics base. Property and business interruption insurance cover is taken out to guard against this risk.

The risks from emergency losses are classified as a B risk with a medium probability.

Over and above this, the following potential risks that are not further quantified in the risk management system are kept constantly under observation.

Legal and fiscal risks

The company is unaware of any legal or arbitration proceedings, whether pending or anticipated, with a significant influence on the economic situation of the *Hawesko Group*. The company is not aware of any fiscal risks which have a significant influence on the economic situation of the *Hawesko Group*.

The group assesses the legal and fiscal risks as C risks.

In view of their immaterial effects, C risks are not listed individually here. No aggregation of C risks into a higher class of risk is expected because of the self-contained nature of these risks.

	<i>Probability</i>	<i>Reach</i>	<i>Risk assessment</i>	<i>Year-on-year change</i>
Public debate on alcohol and advertising bans or restrictions	High	Very high	A risk	↗
Inflation and dependence on economic cycle	Very high	Very high	A risk	↗
Growing competition	High	Medium	A risk	➔
Failure of IT hardware and software	High	High	A risk	↗
Wine as a natural product: marketability and fitness for consumption, quality, possible negative effects	Medium	Medium	B risk	↘
Loss of the highest-volume suppliers	Medium	Medium	B risk	➔
Public debate on duty on alcohol	Very low	High	B risk	➔
Data protection as well as protection of data against unlawful actions	Very low	Very high	B risk	➔
Logistics risks	Medium	Medium	B risk	➔
Financial risks	Medium	Low	B risk	➔
Personnel risks	Medium	Low	B risk	New
Misprints in marketing materials	Medium	Low	B risk	New
Emergency losses	Medium	Low	B risk	New

Other risks

Ukraine conflict

The *Hawesko Group* does not have any significant relationships with customers or suppliers in Russia or Ukraine. Indirectly there is a potential risk to the group's sales performance if consumer behaviour changes as a result of growing reluctance among the population of Germany, Austria and Switzerland to spend. This risk is already covered by the group's risk management system under the risk of business cycle dependence.

No other substantial risks are currently identifiable.

Overall statement on the risk situation of the Hawesko Group

As matters stand, based on the information known it can be established that there exist no risks that pose a threat to the company as a going concern, nor are any such risks identifiable in the future.

LEGAL STRUCTURE OF THE GROUP AND

INFORMATION REQUIRED UNDER TAKEOVER LAW

REPORT PURSUANT TO SECTIONS 289A AND 315A OF GERMAN COMMERCIAL CODE (HGB):

CONCLUDING DECLARATION OF THE BOARD OF MANAGEMENT ON THE REPORT ON RELATED PARTIES

Tocos Beteiligung GmbH, Hamburg, holds an interest of 72.6 percent in *Hawesko Holding SE*. This constitutes a dependent relationship.

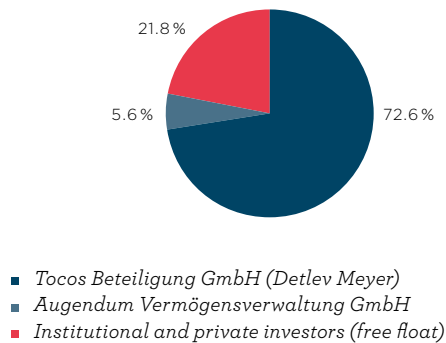
No control or profit transfer agreement exists between *Hawesko Holding SE* and *Tocos Beteiligung GmbH*. The Board of Management of *Hawesko Holding SE* has therefore issued a dependency report on relationships with affiliated companies in accordance with Section 312 of the German Stock Corporation Act (AktG). At the end of the report, the Board of Management issued the following declaration: “We declare that, for transactions with affiliated companies stated in the report on related parties for the period from 1 January to 31 December 2022, *Hawesko Holding SE*, Hamburg, received appropriate consideration based on the circumstances known to us at the time those transactions were carried out. Other measures within the meaning of Section 312 of the German Stock Corporation Act have neither been taken nor omitted.”

LEGAL STRUCTURE OF THE GROUP

Hawesko Holding SE has been listed on the stock exchange since May 1998. The subscribed capital amounting to €13,708,934.14 at the 2022 reporting date is divided into 8,983,403 no par value bearer shares, all carrying identical rights and obligations. The company is not aware of any restrictions affecting voting rights or the transfer of shares. Equally, no other classes of share exist. Under the articles of incorporation the Board of Management is, with the consent of the Supervisory Board, authorised until 13 June 2027 to increase the capital stock by up to a total of €6,850,000.00, by issuing new no par value bearer shares. No authorisation to acquire treasury shares according to Section 71 (1) No. 8 AktG exists. An amendment to the articles of incorporation requires a shareholders’ resolution carried by a majority of at least three-quarters of the capital stock represented in the vote on the resolution.

The principal agreements of *Hawesko Holding SE* containing a clause in the event of the takeover of *Hawesko Holding SE* relate to agreements with various suppliers on exclusive sales rights and to bilateral credit facilities with German banks. In the event of a takeover, the respective suppliers and lenders have the right to terminate the agreement or credit facility and to call in any loans as appropriate.

SHAREHOLDER STRUCTURE



Since the change of control in 2015, Detlev Meyer and his family have been the largest shareholder of *Hawesko Holding SE* via *Tocos Beteiligung GmbH*, with a shareholding of 72.6 percent. There then follow the heirs of Michael Schiemann, with a 5.6 percent shareholding via *Augendum Vermögensverwaltung GmbH*. All are resident in the Federal Republic of Germany. The remaining approx. 21.8 percent are held by institutional and private investors. There are no employee shares as defined in Sections 289a (1) No. 5 and 315a (1) No. 5 HGB.

The *Hawesko Group* has a holding-company structure, with the parent company *Hawesko Holding SE* holding 100 percent or a majority of the shares in the operationally active subsidiaries, whose activities are predominantly in the wine trade. The parent company *Hawesko Holding SE* and the majority of the subsidiaries are domiciled in the Federal Republic of Germany. They are consequently subject to the laws of that country, which decisively influence the framework conditions for their business operations. The subsidiaries not based in Germany are all domiciled in the European Union or Switzerland. No substantial factors that influence business need be mentioned. The *Hawesko Group* is essentially divided into three business segments (please see under “Structure of the group”).

MANAGEMENT AND CONTROL

Independent responsibility for the running of the company and for the appointment of representatives for transactions with third parties rests with the Board of Management of *Hawesko Holding SE*. The Board of Management comprises at least two members. It reaches its decisions by majority vote. Each member is in charge of individual areas of responsibility, irrespective of their collective responsibility for the management of the group.

The Supervisory Board appoints the members of the Board of Management. Members of the Board of Management may be appointed for a maximum of five years. The reappointment or extension for a maximum of five years requires a renewed resolution by the Supervisory Board.

The Board of Management is overseen and advised by the Supervisory Board. In accordance with the articles of incorporation the Supervisory Board comprises six members, elected by the Annual General Meeting. In accordance with the legal requirements, the Supervisory Board is informed regularly, promptly and comprehensively by the Board of Management of all plans, business developments and risks that are of relevance to the company. The Board of Management coordinates the strategic emphasis of the group with the Supervisory Board.

The shareholders exercise their right to have a say in the running and supervision of the company through the Annual General Meeting. Every share in *Hawesko Holding SE* carries one vote. The principle of “one share, one vote” is taken to its logical conclusion, as there are no caps on the number of voting rights which may be held by one shareholder, nor any special voting rights. Every shareholder is entitled to take part in the Annual General Meeting, to comment there on the individual agenda items and to demand informa-

tion on matters concerning the company, to the extent that this is required for the correct assessment of a matter being brought before the Annual General Meeting.

The Board of Management uses sales growth, profit margin, ROCE and free cash flow as its basis for business management. The benchmarks it aims for were outlined under “Management system”. The targets and the development of the individual segments on the basis of these benchmarks form part of the regular strategy and reporting discussions with the managing directors of the individual group companies. By incorporating EBIT margins and the return on capital employed into the objectives and target attainment checks, responsibility is clearly apportioned to the managing directors below Board of Management level. The notes to the consolidated financial statements contain full details of the members of the Board of Management and Supervisory Board.

Pursuant to Sections 289f and 315d HGB, publicly listed companies are to prepare a corporate governance declaration and incorporate it into their management report as a separate section. It may also be made publicly accessible on the company’s website. This declaration is printed in the Annual Report and can be accessed at www.hawesko-holding.com/en/corporate-governance. It contains a declaration according to Section 161 AktG as well as relevant disclosures on corporate governance practices that are applied over and above the statutory requirements. It also describes the modus operandi of the Board of Management and Supervisory Board as well as the composition and modus operandi of their committees. The disclosures on proportions of women and on the relevant information relating to the remuneration report, the audit report pursuant to Section 162 AktG and the remuneration system used can also be found there.

SUPPLEMENTARY INFORMATION ON***HAWESKO HOLDING SE*****(ACC. TO GERMAN COMMERCIAL CODE – HGB)****OVERVIEW OF THE 2022 FINANCIAL YEAR
FOR *HAWESKO HOLDING SE***

Hawesko Holding SE, as the management holding company of *the Hawesko Group*, is dependent to a significant degree on the development of the *Hawesko Group* in respect of the business performance, position and expected development, together with its principal opportunities and risks. In view of the holding structure, in a departure from the group view the most important performance indicator for *Hawesko Holding SE* within the meaning of DRS 20 is the net income for the year under German commercial law.

The company was converted from a German stock corporation into a European company (SE) in the financial year. The conversion was registered with the Local Court of Hamburg under the new number HRB 178006 on 14 November 2022.

**BUSINESS PERFORMANCE OF
*HAWESKO HOLDING SE***

The business performance of *Hawesko Holding SE* is materially determined by the performance of its investments. The financial statements of *Hawesko Holding SE* in accordance with the requirements of commercial law serve as the basis for the dividend distribution. The statement of income and balance sheet of *Hawesko Holding SE* in accordance with HGB are presented below.

FINANCIAL PERFORMANCE OF HAWESKO HOLDING SE AND APPROPRIATION OF EARNINGS

HGB statement of income for the financial year from 1 January to 31 December 2022

€'000	2022	2021
Sales revenues	343	449
Other operating income	1,846	1,040
Personnel expenses	-3,870	-4,690
a) Salaries	-3,597	-4,440
b) Social security and social maintenance costs	-273	-250
Depreciation of intangible fixed assets and tangible assets	-90	-142
Other operating expenses	-5,073	-4,979
Income from profit transfers	36,004	45,088
Investment income	5,182	5,282
Other interest and similar income	1,350	453
Expenses from losses absorbed	-208	-443
Interest and similar expenses	-847	-336
Income tax expense	-10,109	-10,298
EARNINGS AFTER TAXES	24,528	31,424
Other taxes	-90	-2
NET INCOME	24,438	31,422
Profit carryforward from previous year	-	30
ACCUMULATED PROFIT	24,438	31,452

Income from profit transfers consist mainly of profits of the subsidiaries *Jacques'*, *HAWESKO* and *WSB*. The investment income comprises the profit distributions for *Vinos* from financial year 2021. The expenses from losses absorbed are in respect of *WineTech Commerce* and *WineCom International*.

On average over the 2022 financial year, *Hawesko Holding SE* had 20 employees (previous year: 20).

The net income for the year is € 24.4 million (previous year: € 31.4 million).

Taking account of the profit carryforward from the previous year, there remains an unappropriated profit of € 24.4 million (previous year € 31.5 million).

With regard to use of the unappropriated profit for 2022, the Board of Management proposes that a dividend of € 1.90 per share be distributed, in other words around € 17.1 million in total.

Financial position of Hawesko Holding SE

Cash flows arose in the year under review mainly as a result of financing activities involving companies of the *Hawesko Group* as well as from the dividend distributed to shareholders.

Net worth of Hawesko Holding SE

€'000	31/12/2022	31/12/2021
FIXED ASSETS		
INTANGIBLE ASSETS		
Concessions acquired for consideration, industrial property rights and similar rights and values as well as licences to such rights and values	26	76
TANGIBLE ASSETS		
Land, equivalent rights and buildings, including buildings on third-party land	25	30
Other fixtures and fittings, tools and equipment	108	126
FINANCIAL ASSETS		
Shares in affiliated companies	152,689	144,167
	152,848	144,399
CURRENT ASSETS		
RECEIVABLES AND OTHER ASSETS		
Due from affiliated companies	79,555	50,495
Other assets	571	5,892
BANK ACCOUNTS IN CREDIT	20,297	43,957
	100,423	100,344
PREPAID EXPENSES	92	141
	253,363	244,884

At the reporting date assets amounted to €253.4 million (previous year: €244.9 million), of which €152.7 million (previous year: €144.2 million) were financial assets. The increase is mainly attributable to the acquisition of the remaining shares in *Vinos* and in *WirWinzer*. All shares in *WirWinzer* were then contributed to the newly founded *WineCom International*.

Other major asset-side items are receivables from affiliated companies amounting to €79.6 million (previous year: €50.5 million) for financial transactions and loans extended to subsidiaries, as well as cash of €20.3 million (previous year: €44.0 million). This development was prompted by the declining cash flow of the subsidiaries, which consequently needed more financing. Financial assets make up 60.3 percent of the balance sheet total (previous year: 58.9 percent).

€'000	31/12/2022	31/12/2021
EQUITY		
Subscribed capital	13,709	13,709
Capital reserve	64,067	64,067
Other retained earnings	111,081	102,087
Accumulated profit	24,438	31,452
	213,295	211,315
PROVISIONS		
Provisions for taxation	10,593	8,793
Other provisions	2,141	2,864
	12,734	11,657
LIABILITIES		
Due to banks	16,172	12,560
Trade payables	49	93
Due to affiliated companies	8,789	9,119
Other liabilities	252	140
	25,262	21,912
DEFERRED TAX LIABILITIES	2,072	-
	253,363	244,884

The equity and liabilities side of the balance sheet mainly comprises equity of €213.3 million (previous year: €211.3 million) and liabilities of €25.3 million (previous year: €21.9 million). The amounts due to banks rose by around €3.6 million mainly due to medium-term financing of the share acquisition in *Global Wines & Spirits*, despite the scheduled repayment of bank loans. Equity makes up 84.2 percent of the balance sheet total (previous year: 86.3 percent).

RISK SITUATION OF HAWESKO HOLDING SE

As *Hawesko Holding SE* is extensively tied in with the companies of the *Hawesko Group* through such arrangements as joint and several liability with the material group companies as well as by holding direct and indirect interests in the investments, the risk situation of *Hawesko Holding SE* is essentially dependent on the risk situation of the *Hawesko Group*. To that extent the statements on the overall assessment of the risk situation by the company's management also summarise the risk situation of *Hawesko Holding SE*.

FORECAST FOR HAWESKO HOLDING SE

The development of *Hawesko Holding SE* in its function as holding company is dependent essentially on the development of its participating interests. Please therefore refer to the remarks on the *Hawesko Group*. The Board of Management expects the annual financial statements of *Hawesko Holding SE* to show a moderately lower result.

PLANNED CAPITAL EXPENDITURE BY HAWESKO HOLDING SE

In the course of making capital expenditure for the *Hawesko Group*, *Hawesko Holding SE* will support the group companies by providing financial resources.

CORPORATE GOVERNANCE DECLARATION

The Corporate Governance Declaration in accordance with Sections 289f and 315d HGB is available to the public in the Annual Report and at <https://www.hawesko-holding.com/en/corporate-governance/>.

Hamburg, 11 April 2023

The Board of Management



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CONSOLIDATED FINANCIAL STATEMENTS

of Hawesko Holding SE (formerly Hawesko Holding Aktiengesellschaft)
for financial year 2022

CONSOLIDATED STATEMENT OF INCOME

for the period from 1 January to 31 December 2022

€'000	Notes	01/01- 31/12/2022	01/01- 31/12/2021
SALES REVENUES FROM CONTRACTS WITH CUSTOMERS	9.	671,482	680,530
Other production for own assets capitalised	18.	179	39
Other operating income	10.	21,897	19,782
Cost of purchased goods and services		-377,831	-379,925
Personnel expenses	12.	-76,152	-74,920
Depreciation/amortisation and impairment	13.	-22,738	-22,127
Other operating expenses	14.	-177,759	-170,299
- Of which impairment losses from financial assets		248	-547
OPERATING RESULT		39,078	53,080
Interest income	15.	282	155
Interest expense	15.	-4,410	-4,111
Other financial result	15.	3,994	-1,758
Result from companies reported using the equity method	15.	378	903
EARNINGS BEFORE TAXES		39,322	48,269
Taxes on income	16.	-13,159	-14,015
CONSOLIDATED NET INCOME		26,163	34,254
of which attributable to the shareholders of Hawesko Holding SE		25,594	33,634
of which attributable to non-controlling interests		569	620
Earnings per share (basic = diluted) (€)	17.	2.85	3.74

CONSOLIDATED STATEMENT OF COMPREHENSIVE*for the period from 1 January to 31 December 2022*

€'000	<i>Notes</i>	01/01- 31/12/2022	01/01- 31/12/2021
CONSOLIDATED NET INCOME		26,163	34,254
AMOUNTS NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN THE FUTURE		914	8
Actuarial gains and losses from defined benefit plans, including deferred tax	29.	914	8
AMOUNTS TO BE RECLASSIFIED TO PROFIT OR LOSS IN THE FUTURE		677	479
Effective portion of the gains/losses from cash flow hedges, including deferred tax	29.	288	164
Currency translation differences	29.	389	315
OTHER COMPREHENSIVE INCOME		1,591	487
TOTAL COMPREHENSIVE INCOME		27,754	34,741
of which			
- attributable to the shareholders of <i>Hawesko Holding SE</i>		27,162	34,115
- attributable to non-controlling interests		592	626

CONSOLIDATED CASH FLOW STATEMENT

for the period from 1 January to 31 December 2022

€'000	Notes	31/12/2022	31/12/2021
EARNINGS BEFORE TAXES		39,322	48,269
+ Depreciation and amortisation of fixed assets		22,738	22,127
+/- Other non-cash expenses and income	15. & 42.	-6,321	1,484
+ Interest result	42.	4,128	3,956
+/- Result from the disposal of fixed assets		-59	27
+/- Result from companies reported using the equity method		-378	-903
+ Dividend payouts received from companies reported using the equity method		444	1,131
+/- Change in inventories		989	-10,385
+/- Change in receivables and other assets		-494	1,358
+/- Change in provisions		-1,119	-141
+/- Change in liabilities (excluding borrowings)		-11,785	-8,107
+ Interest received and other financial result		278	143
- Taxes on income paid out		-10,986	-9,958
= NET INFLOW OF PAYMENTS FROM CURRENT OPERATIONS		36,757	49,001
- Outpayments for the acquisition of intangible assets and property, plant and equipment		-15,969	-7,757
+ Inpayments for the disposal of intangible assets and property, plant and equipment		118	153
- Outpayments for additions to group of consolidated companies	8.	-6,396	-
+ Inpayments for financial assets held as investments		4,925	-
+ Inpayments for the disposal of group companies / business units		-	5,510
= NET FUNDS EMPLOYED FOR INVESTING ACTIVITIES		-17,322	-2,094
- Outpayments for dividend	26. & 42.	-22,459	-17,967
- Outpayments for distributions to non-controlling interests	42.	-405	-39
- Outpayment to NCI forwards	42.	-576	-587
- Outpayments for the acquisition of non-controlling interests and settlement of the liability from a forward contract with non-controlling interests	8. & 42.	-8,495	-3,995
+ Inpayment from the sale of non-controlling interests with no loss of control	8. & 42.	2,842	-
- Outpayments for the redemption of lease liabilities	36. & 42.	-13,452	-12,392
- Outpayments for the redemption of borrowings	42.	-6,699	-4,904
+ Inpayments for the raising of borrowings	42.	11,560	-
- Interest paid	42.	-4,343	-4,093
= OUTFLOW OF NET FUNDS FOR FINANCING ACTIVITIES		-42,027	-43,977
+/- Effects of exchange rate changes on cash (up to 3 months to maturity)		190	113
= NET INCREASE/DECREASE IN FUNDS		-22,402	3,043
+ Funds at start of period		52,861	49,818
= FUNDS AT END OF PERIOD	42.	30,459	52,861

DEVELOPMENT IN CONSOLIDATED EQUITY

for the period from 1 January to 31 December 2022

€'000	Subscribed capital	Capital reserve	Retained earnings	Other reserves			Ownership interest of Hawesko Holding SE shareholders	Non-controlling interests	Equity
				Balancing items from currency translation	Revaluation reserve for retirement benefit obligations	Reserve for cash flow hedges			
POSITION AT 1 JANUARY 2021	13,709	10,061	91,346	147	-303	-227	114,733	2,251	116,984
Change in group of consolidated companies	-	-	239	-	-	-	239	-679	-440
Dividends	-	-	-17,967	-	-	-	-17,967	-39	-18,006
Dividends to NCI forwards	-	-	-587	-	-	-	-587	-	-587
Consolidated net income	-	-	33,634	-	-	-	33,634	620	34,254
Other comprehensive income	-	-	-	309	19	231	559	6	565
Deferred tax on other comprehensive income	-	-	-	-	-11	-67	-78	-	-78
OVERALL RESULT	-	-	33,634	309	8	164	34,115	626	34,741
POSITION AT 31 DECEMBER 2021	13,709	10,061	106,665	456	-295	-63	130,533	2,159	132,692
POSITION AT 1 JANUARY 2022	13,709	10,061	106,665	456	-295	-63	130,533	2,159	132,692
Acquisition of minority interest in subsidiaries already included in consolidation	-	-	650	-	-	-	650	-650	-
Change in group of consolidated companies	-	-	54	-	-	-	54	570	624
Sale of minority interest with no loss of control	-	-	-3,365	-	-	-	-3,365	1,858	-1,507
Correction of immaterial error in previous year	-	-	-518	-	-	-	-518	-	-518
Dividends	-	-	-22,459	-	-	-	-22,459	-405	-22,864
Dividends to NCI forwards	-	-	-576	-	-	-	-576	-	-576
Consolidated net income	-	-	25,594	-	-	-	25,594	569	26,163
Other comprehensive income	-	-	-	366	1,266	385	2,017	23	2,040
Deferred tax on other comprehensive income	-	-	-	-	-352	-97	-449	-	-449
OVERALL RESULT	-	-	25,594	366	914	288	27,162	592	27,754
POSITION AT 31 DECEMBER 2022	13,709	10,061	106,045	822	619	225	131,481	4,124	135,605

CONSOLIDATED BALANCE SHEET

at 31 December 2022

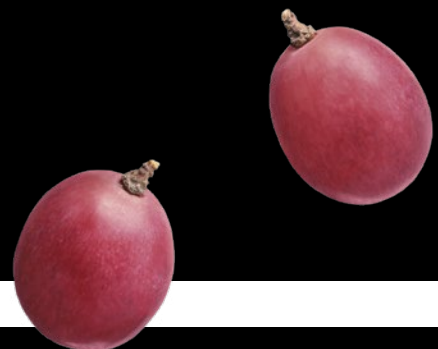
ASSETS €'000	Notes	31/12/2022	31/12/2021
NON-CURRENT ASSETS			
Intangible assets	18.	65,706	51,345
Property, plant and equipment (including lease assets)	20. & 36.	142,505	136,847
Companies accounted for using the equity method	21.	-	4,058
Inventories and advance payments for inventories	23.	2,336	5,984
Receivables and other financial assets	24.	4,696	4,275
Deferred tax	22.	4,498	5,931
		219,741	208,440
CURRENT ASSETS			
Inventories and advance payments for inventories	23.	125,903	117,577
Trade receivables	24.	48,948	46,443
Receivables and other financial assets	24.	3,464	7,822
Other non-financial assets	24.	3,789	3,720
Accounts receivable from taxes on income	24.	1,385	683
Cash in banking accounts and cash on hand	25.	30,459	52,861
		213,948	229,106
		433,689	437,546

EQUITY AND LIABILITIES €'000	Notes	31/12/2022	31/12/2021
EQUITY			
Subscribed capital of <i>Hawesko Holding SE</i>	26.	13,709	13,709
Capital reserve	27.	10,061	10,061
Retained earnings	28.	106,045	106,665
Other reserves	29.	1,666	98
EQUITY OF THE SHAREHOLDERS OF HAWESKO HOLDING		131,481	130,533
Non-controlling interests	30.	4,124	2,159
		135,605	132,692
LONG-TERM PROVISIONS AND LIABILITIES			
Provisions for pensions	31.	756	1,056
Other long-term provisions	32. & 33.	1,741	1,682
Borrowings	34. & 35.	12,013	6,803
Lease liabilities	34. & 36.	118,569	120,488
Contract liabilities	38. & 39.	3,064	4,519
Other financial liabilities	34. & 37.	9	110
Other non-financial liabilities	38.	376	278
Deferred tax	40.	4,761	1,702
		141,289	136,638
CURRENT LIABILITIES			
Borrowings	34. & 35.	11,976	12,325
Lease liabilities	34. & 36.	13,424	13,005
Trade payables	34.	62,339	67,895
Contract liabilities	38. & 39.	21,276	19,914
Income taxes payable	38.	11,789	11,935
Other short-term provisions	33.	200	400
Other financial liabilities	34. & 37.	13,561	17,463
Other non-financial liabilities	38.	22,230	25,279
		156,795	168,216
		433,689	437,546



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*of Hawesko Holding SE (formerly Hawesko Holding Aktiengesellschaft)
for financial year 2022*

PRINCIPLES AND METHODS APPLIED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Hawesko Holding SE is a European company (Societas Europaea) and has its registered office in Hamburg, Germany (Address: Elbkaihaus, Große Elbstraße 145 d, 22767 Hamburg). It is entered on Commercial Register B at the Local Court of Hamburg under number 178006 and arose through modifying conversion as the universal successor to *Hawesko Holding Aktiengesellschaft*, Hamburg, pursuant to the resolution of the Annual General Meeting of 14 June 2022 and by entry on the commercial register on 14 November 2022. The activities of the group in Europe include above all the trading and sale of wines, champagnes and other alcoholic drinks to consumers and re-sellers. The operating subsidiaries under the corporate umbrella of *Hawesko Holding SE* are grouped into three segments: Retail, B2B and e-commerce.

1. GENERAL PRINCIPLES

Pursuant to EU Order 1606/2002, the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union (EU) at the balance sheet date. The supplementary requirements of German commercial law were additionally taken into account, in accordance with Section 315e (1) of German Commercial Code.

The requirements were satisfied in full and the consolidated financial statements give a true and fair view of the net worth, financial position and financial performance.

The annual financial statements of the consolidated companies are based on standard recognition and measurement principles. For greater clarity, certain items in the statement of income and balance sheet are combined; they are explained in the notes. The standard reporting date for all group companies is 31 December 2022.

The type of expenditure format was used for the preparation of the statement of income. The consolidated financial statements are prepared under the historical cost convention, with the exception of derivative financial instruments and the shares in affiliated companies, which are measured at their fair value.

The sums reported are always quoted in thousand euros (€'000), unless otherwise indicated. The internal company designations for all subsidiaries are used in the notes; the precise company names are stated in the list of fully consolidated subsidiaries in section 7.

The Board of Management prepared the consolidated financial statements on 11 April 2023. The adjustment period ends on that date.

The consolidated financial statements, the combined management report and the management report of the group parent will prospectively be approved for publication in the electronic Federal Gazette following their signing-off by the Supervisory Board on 12 April 2023. Copies of the annual financial statements, the combined management report and the management report for the group parent of *Hawesko Holding SE* can in addition be requested directly from *Hawesko Holding SE*.

2. STANDARDS AND INTERPRETATIONS TO BE APPLIED FOR THE FIRST TIME IN THE FINANCIAL YEAR AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The following summary shows the new or amended standards (IAS/IFRS) of the International Accounting Standards Board (IASB) or Interpretations (IFRIC) where adoption is mandatory from 1 January 2022:

- COVID-19-Related Rent Concessions after 30 June 2021 – Amendments to IFRS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Property, Plant and Equipment – Proceeds before Intended Use – Amendments to IAS 16
- Annual improvements to IFRS standards 2018–2020

Of the standards, clarifications and interpretations where adoption is mandatory from 1 January 2022, only the amendments to IFRS 16 “Leases” introduced due to the COVID-19 pandemic had an immaterial effect on the net worth, financial position and financial performance of the group. First-time adoption of all other modified accounting standards listed had no or no material influence on the presentation of the net worth, financial position and financial performance or on earnings per share.

3. NEW IASB ACCOUNTING STANDARDS

The consolidated financial statements of *Hawesko Holding SE* have been prepared in accordance with all published financial reporting standards and interpretations of the IASB, the adoption of which was mandatory for the 2022 financial year, as endorsed by the European Union. The option of adopting new standards and interpretations before they become binding was not exercised in the year under review. The following new or revised standards and interpretations have already been published but adoption is not yet mandatory for companies with a financial year ending 31 December 2022:

- Classification of Liabilities as Current or Non-Current – Amendments to IAS 1
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- IFRS 17 “Insurance Contracts”

It is planned to apply the standards and interpretations from the point in time when they become mandatory. The adoption of the aforementioned standards will probably have no material effect on the net worth, financial position and financial performance of the group. Insofar as permissible, the adjustment of prior-year figures is dispensed with in accordance with the transitional provisions of the respective IFRS.

Various other new accounting standards, amended standards and interpretations were published but are not mandatory for reporting periods ending 31 December 2022 and were not adopted early by the group. The group does not consider the effects of these new rules on the current or on future reporting periods to be materially significant.

4. CONSOLIDATION PRINCIPLES

The consolidated financial statements of *Hawesko Holding SE* include all significant domestic and foreign subsidiaries where the company directly or indirectly has a right to variable returns and also scope for influencing those variable returns through its ability to determine activities. We indicate which businesses are included in the consolidated financial statements under “Consolidated companies” in section 7.

The consolidation of capital is always performed on the basis of the date of acquisition according to the purchase method. For this method, the acquisition costs of the shares acquired are netted against the pro rata fair value of the acquired assets and debts of the subsidiary at the time of acquisition. Any remaining positive differences are carried as derivative goodwill on the basis of their economic content. Negative differences are booked through profit or loss.

In the case of business combinations achieved in stages, the provisions of IFRS 3 are applied regarding fair value remeasurement at the time of transfer of control of the shares held. The shares already held by *Hawesko Holding SE* are included in the measurement of cost at fair value. Gains or losses arising from such a remeasurement are recognised through profit or loss. Transactions that do not lead to a loss of control are recognised through other comprehensive income as equity transactions for non-controlling interests. If put options are granted in the course of business combinations, an analysis is performed on a case-by-case basis whether the opportunities and risks pass to the *Hawesko Group* or remain with the minority interest. In the case of fair value options it is fundamentally assumed that the opportunities and risks remain with the minority interest. In that case minority-interest shares are reported separately. Subsequent measurement of the put options is through profit or loss and is recognised in the other financial result.

For *Vinos*, an NCI forward was agreed with the minority interest. The opportunities and risks from these non-controlling interests have already passed to the

Hawesko Group with the result that the shares were shown as already acquired and minority-interest shares in *Vinos* were no longer reported.

At the time of loss of control, all residual interests are remeasured at fair value through profit and loss.

Joint ventures are accounted for in accordance with IFRS 11. That standard makes a distinction within joint arrangements between a joint operation and a joint venture, depending on the contractual rights and obligations. According to IFRS 11, joint ventures are accounted for using the equity method at the updated pro rata value of the equity capital of the investment.

Intra-group sales, charges and earnings as well as accounts receivable and payable between the consolidated companies are eliminated.

Intercompany results for inventories are eliminated unless they are of more than minor economic significance.

Non-controlling interests are measured either at fair value or at the pro rata fair value of the acquired assets or debts assumed. Following initial recognition, pro rata gains and losses are allocated without limit, as a result of which non-controlling interests may also show a negative balance.

The items contained in the consolidated financial statements for all group companies are measured using the currency of the primary economic environment in which each business is active (functional currency). The consolidated financial statements are stated in euros, which is the functional and reporting currency of *Hawesko Holding SE*.

Foreign currency transactions are translated into the functional currency using the exchange rates on the dates of the transactions. Foreign exchange gains and losses from the processing of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency at year-end rates

are generally recognised through profit or loss. They are stated within equity as deferred items if they originate in the net investment in a foreign business operation.

The expenses and income as well as assets and liabilities of foreign business operations with a functional currency other than the reporting currency are translated into the reporting currency as follows:

- Assets and liabilities are translated at the respective closing date for each balance sheet presented.
- Income and expense items are translated at the average exchange rates for every presentation of profit or loss and other comprehensive income.
- All translation results arising are recognised in other comprehensive income.

In consolidation, exchange differences resulting from the translation of net investments in foreign business operations and of borrowings and other differences in respect of hedges of such investments or such designated financial instruments are recognised within other comprehensive income. Goodwill and amounts for fair value adjustment of assets and liabilities from the acquisition of a foreign business operation are treated as assets and liabilities of the foreign business operation and translated at closing rates.

5. RECOGNITION AND MEASUREMENT PRINCIPLES

Intangible assets

Intangible assets acquired are measured at acquisition cost and are fundamentally depreciated by the straight-line method over the respective useful economic life. Such assets are impaired if the recoverable amount – the higher of fair value less disposal costs or value in use – is lower than the carrying amount.

The useful life and depreciation methods for intangible assets are tested at least on every reporting date; if the expectations deviate from the previous estimates, the corresponding changes are recorded as changes in estimates according to IAS 8.

Self-constructed intangible assets are capitalised at the costs that were incurred for them during the development phase, after the establishment of their technological and commercial feasibility, up to the time of their completion. The capitalised cost of production comprises the costs directly allocable to the development phase. Costs that are incurred before the development phase in connection with subsequent self-constructed assets are posted as an expense. Self-constructed intangible assets within the group in essence capture various components of the web shops and software.

With the exception of goodwill from the consolidation of capital and from assets under development, there are no intangible assets with an indefinite useful life. Other intangible assets from business acquisitions, whether self-constructed or acquired for consideration, are depreciated over their useful life (generally between three and six and a half years) by the straight-line method as soon as the assets become available for use.

An intangible asset is derecognised if the asset is disposed of or no further economic benefit is to be expected from its use or disposal. The profit or loss from the disposal of an asset is the difference between the net disposal proceeds and the carrying amount

of the object and is recognised under other operating income or other operating expenses at the time of derecognition.

Goodwill

Goodwill is not amortised but is instead tested for impairment on the basis of the recoverable amount for the cash-generating unit to which the goodwill is allocated. Taking the sales and management structure as the starting point, a cash-generating unit is defined as an individual company or a group. The impairment test is to be performed at the balance sheet date and then subsequently whenever there is evidence of impairment. The recoverable amount for a cash-generating unit is fundamentally determined on the basis of the fair value less disposal costs. The fair value is calculated on the basis of future cash flows according to group planning. Discounting of the forecast cash flows is performed using a risk-adjusted interest rate. Capital market data is used in determining the risk-oriented interest rate. If the carrying amount of the cash-generating unit exceeds the recoverable amount, the allocable goodwill is to be impaired by the difference. If the impairment exceeds the carrying amount of the goodwill, the excess amount is to be distributed pro rata among the other assets of the cash-generating unit.

Property, plant and equipment

Property, plant and equipment is carried at acquisition or manufacturing cost less depreciation by the straight-line method, as well as impairment where applicable. The amortisation period reflects the prospective economic useful life of the assets. In the year of acquisition property, plant and equipment is depreciated pro rata temporis. The residual carrying amounts, the useful lives and the depreciation methods for the assets are tested at least on every reporting date; if the expectations deviate from the previous estimates, the corresponding changes are recognised as changes in estimates according to IAS 8.

The acquisition or manufacturing cost includes the purchase price and directly allocable costs of bringing the asset to the location and into the required condition intended by the management, and also the estimated costs of dismantling and clearing the object and the re-establishment of the location where it is situated. If an item of property, plant and equipment comprises several components with different useful lives, the individual material components are depreciated over their individual useful lives. Maintenance and repair costs are recognised as an expense at the time of origin.

Public investment grants reduce the acquisition or manufacturing cost of property, plant and equipment items for which the grant was made.

The investment grants are stated as soon as there is reasonable assurance that all eligibility conditions are met and the grant is made in full. If such reasonable assurance already exists at the time of conclusion of the contract, the full grant is capitalised at that point as an other financial asset and a non-financial sundry debt in the same amount recognised within non-financial liabilities as a liability for the roll-out obligation. In the subsequent periods the financial asset measured at amortised cost is reduced as the instalments are received. The sundry debt is liquidated pro rata as construction progresses, against the carrying amount of the subsidised property, plant and equipment. If there is no reasonable assurance yet, merely the instalment payments received are recognised and a non-financial sundry debt in the same amount recognised as a liability. As soon as reasonable assurance then exists, an other financial asset is recognised for outstanding grants and the carrying amounts of the sundry debt and subsidised property, plant and equipment are adjusted in line with actual construction progress. All grants received are recognised within cash flow from investing activities. In the financial year, investment grants for €63 thousand were recognised under property, plant and equipment.

An item of property, plant and equipment is derecognised if the asset is disposed of or no further economic benefit is to be expected from its use or disposal.

The profit or loss from the disposal of an item of property, plant and equipment is the difference between the net disposal proceeds and the carrying amount of the object and is recognised under other operating income or other operating expenses at the time of derecognition.

The depreciation plan for property, plant and equipment is based on the following estimates of useful life:

USEFUL LIFE OF PROPERTY, PLANT AND EQUIPMENT:	<i>Years</i>
Buildings and leasehold improvements	3 - 25
Technical equipment and machinery	3 - 18
Other fixtures and fittings, tools and equipment	3 - 20

Leasehold improvements are depreciated either over their respective useful life or over the term of any lease, if shorter.

Borrowing costs

Borrowing costs that can be allocated directly to the acquisition, construction or manufacturing of a qualifying asset are capitalised as a component of acquisition or manufacturing cost. The *Hawesko Group* definition of qualifying assets or other assets is those where at least twelve months are needed to bring them into their intended usable or saleable condition. Borrowing costs for assets that are measured at fair value and for inventories that are regularly created or manufactured in large quantities are not capitalised. In recent years there were no qualifying assets, as a result of which no borrowing costs were capitalised. Based on the principle of materiality, borrowing costs are not capitalised this year.

Leases

The *Hawesko Group* rents various office and warehouse buildings as well as retail stores, plant and vehicles. Tenancy agreements are generally concluded for fixed periods of between three and ten years, but may include extension options.

Contracts comprise include both lease and non-lease components. The *Hawesko Group* allocates the transaction price to these components based on their relative individual order prices. Land that *Hawesko Holding SE* rents as the lessee is an exception. In such cases the group exercises the option not to distinguish between lease and non-lease components, and instead to account for the entire contract as a lease agreement.

Rental terms are negotiated on an individual basis and comprise a wide range of different terms. The lease agreements do not contain credit terms except where the leased items serve as collateral for the lessor. Leased assets may therefore not be used additionally as collateral for securing loans.

Since 1 January 2019 *leases* have been recognised as a right of use and a corresponding lease liability from the point in time when the leased object is available for use by the group.

Assets and debts from leases are recognised at present values upon first-time recognition. The lease liabilities comprise the present value of the following lease payments:

- Fixed payments less any lease incentives to be received
- Variable lease payments that are linked to an index, initially measured with the index at the date of provision
- Expected payments by the group from drawing on residual value guarantees
- The exercise price of a put option, the exercising of which by the group is sufficiently certain

The measurement of the lease liability also takes account of lease payments where it is sufficiently certain that extension options will be used.

Lease payments are discounted at the implicit underlying interest rate for the lease, provided this can be readily determined. Otherwise – as is the norm in the group – it is discounted at the incremental borrowing rate of the lessee. This corresponds to the interest rate that the lessee in question would need to pay if it needed to raise funds in order to acquire an asset of comparable value for a comparable period, with comparable collateral and on comparable terms in a comparable economic environment.

To determine the incremental borrowing rate, the *Hawesko Group* starts with a risk-free interest rate and adjusts it for the credit risk of the lessee. Further adjustments in addition concern the term of the lease, the economic environment and the term of the lease agreement.

The *Hawesko Group* is exposed to possible future rises in variable lease payments that could result from a change in an index or interest rate. These possible changes in lease instalments are not reflected in the lease liability until they take effect. As soon as changes to an index or interest rate start to affect the lease instalments, the lease liability is adjusted against the right of use.

Lease instalments are divided into principal and interest payments. The interest portion is recognised through profit or loss over the term of the lease so as to produce a constant periodic interest rate on the balance of the liability for each period.

Rights of use are measured at cost; this comprises the following:

- The amount of initial measurement of the lease liability,
- All lease payments made upon or before provision less any lease incentives,

- All direct costs initially arising for the lessee,
- Estimated costs that the lessee incurs for dismantling or removal of the underlying asset, for re-establishment of the location where the latter is situated, or for conversion of the underlying asset back into the condition required in the lease agreement.

This assessment is examined if an extension option is actually exercised or not exercised. A reassessment of the original assessment is carried out if there is a materially significant event or a material change in circumstances that may influence the previous assessment.

Rights of use are depreciated by the straight-line method over the shorter of the two periods of right of use or term of the underlying lease agreement.

Payments for short-term leases of technical equipment and machinery, tools and equipment as well as vehicles and other leases with low-value underlying assets are recognised as an expense by the straight-line method through profit or loss. Lease agreements with a term of up to twelve months are considered short-term leases. Low-value assets are all leases with a new value of less than €5 thousand.

Various real estate lease agreements of the *Hawesko Group* contain extension and termination options. Such contractual terms are used to obtain maximum operational flexibility from the assets in use. The majority of the existing extension and termination options can be exercised only by the *Hawesko Group*, and not by the respective lessor.

In determining the term of leases, the management considers all facts and circumstances that offer an economic incentive to exercise extension options or not to exercise termination options. Changes in term arising from the exercising of extension or termination options are only included in the term of the agreement if the extension or non-exercise of a termination option is sufficiently certain.

To the extent that there existed extension options in connection with the leasing of vehicles, warehouse vehicles as well as tools and equipment, these were not included in the determination of the lease term and therefore the lease liability because these assets can be replaced by the group at no significant cost or interruption to operations.

Impairment of fixed assets

Impairment is determined by comparing the carrying amount with the recoverable amount. If individual assets cannot be assigned to own future cash inflows generated independently of other assets, recoverability must be investigated based on the higher-level cash-generating unit of assets.

At each reporting date an asset is examined to establish whether there is evidence of potential impairment. If such evidence is established, the recoverable amount of the asset or cash-generating unit needs to be determined.

For intangible assets with an indefinite useful life (for example, goodwill), an impairment test is moreover carried out annually. In the course of testing for impairment, the goodwill acquired in a business combination is allocated to each individual cash-generating unit that will prospectively benefit from the synergies from the merger. If the carrying amount of the cash-generating unit to which the goodwill was allocated exceeds the recoverable amount, the goodwill allocable to that cash-generating unit is to be impaired by the difference. Goodwill impairment may not be reversed.

If the impairment of the cash-generating unit exceeds the carrying amount of the goodwill allocated to it, the excess impairment is to be distributed pro rata across the assets allocated to the cash-generating unit. The fair values and values in use of the individual assets (where they can be determined) are to be treated here as the minimum asset value. If the conditions for impairment recorded in earlier periods no longer apply, the assets in question (except for goodwill) are to be written up through profit or loss.

The recoverable amount for a cash-generating unit is determined from the higher of fair value less disposal costs or value in use of the asset. The recoverable amount is normally determined using the discounted cash flow (DCF) method unless measurement based on a market price prevails. These DCF calculations

are underpinned by forecasts that are based on financial plans for three to four years approved by the management and are also used for internal purposes. The chosen planning horizon reflects the assumptions for short to medium-term market developments.

Inventories

Measurement of *raw materials, consumables used and merchandise* is at acquisition cost or at net realisable value. The costs include overhead costs which can be directly allocated, in addition to prime costs. Measurement is fundamentally according to the moving average method. The inventories acquired at cost are valued after deduction of discounts and price reductions. The net realisable value is determined as the estimated sales proceeds in the ordinary course of business less the estimated costs required for disposal. The impairment of inventories is based on the expected unit sales and the development in market prices, specifically for particularly high-quality, or premier, wines. These are influenced considerably by the vintage and location of the wines, which can lead to fluctuations in impairment from year to year. No material impairment is currently applied to inventories.

Employee benefits

The *provisions for pensions* are calculated according to the projected unit credit method pursuant to IAS 19, taking account of the anticipated pay and pension increases. Retirement benefit obligations are measured on the basis of retirement benefit appraisals, which are prepared by independent actuarial experts. Actuarial gains and losses are recognised income-neutrally in the other reserves in the year in which they arise. The service cost from pension commitments is shown under personnel expenses. The interest expense from pension commitments is reported in the financial result.

Obligations from the granting of termination benefits are recognised if *Hawesko Holding* does not have any realistic scope to withdraw from granting the

benefits in question. For that reason, obligations are fundamentally only recognised as soon as employees have accepted a corresponding offer by the company, unless the company can already no longer withdraw its offer at an earlier point due to legal or other restrictions. Obligations as a result of the sole decision of the company to make job cuts are recognised as soon as the company has announced a detailed formal plan to terminate employment relationships. If termination benefits are granted in the course of restructuring measures within the meaning of IAS 37, an obligation according to IAS 19 is recognised at the same time as a restructuring provision. If the benefits are due more than twelve months after the reporting date, the expected settlement amount is discounted at the reporting date. If the timing or amount of the payout are still uncertain at the reporting date, the obligations are recognised under other provisions.

Other provisions

The *other provisions* take account of all discernible obligations from past business transactions or occurrences at the balance sheet date, where the outflow of resources is probable. The provisions are measured at the amounts that are likely to apply. Provisions are only created where a legal or de facto obligation towards third parties exists. Long-term provisions are reported at their discounted settlement value at the balance sheet date, on the basis of corresponding market interest rates.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and are disclosed in the notes if the requirements of IAS 37 are satisfied. No contingent liabilities are currently recognised by the group.

Foreign currency

Accounts receivable and payable in foreign currency are translated at the exchange rate at the time of their addition. This rate is also used for determining the acquisition costs of stock in trade. The monetary

assets and debts reported in foreign currency at the balance sheet are translated at the respective reporting-date exchange rate. The gains and losses on foreign currency that result from this translation are booked through profit and loss.

Financial instruments

A *financial instrument* is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets

Classification:

According to IFRS 9, financial assets are divided into three categories:

- At amortised cost (AC)
- At fair value through other comprehensive income (FVOCI)
- At fair value through profit or loss (FVtPL)

Classification depends on the business model of the company for the management of financial assets and contractual cash flows. Measurement at FVOCI is envisaged for assets where their purpose is both to hold them and to collect cash flows from the sale of the financial assets.

In the case of assets measured at fair value, the gains and losses are measured either through profit or loss or through other comprehensive income. In the case of investments in equity instruments that are not held for trading, this depends on whether the *Hawesko Group* has decided irrevocably at the time of initial recognition to measure the equity instruments at fair value through other comprehensive income.

The group only reclassifies debt instruments if there is a change in the business model for the management of such assets.

Recognition and derecognition:

A regular-way purchase or sale of financial assets is recognised at the trade date, in other words at the date on which the *Hawesko Group* undertakes to buy or sell the asset. Financial assets are derecognised if the entitlements to receive cash flows from the financial assets have expired or been transferred and the *Hawesko Group* has basically transferred all risks and opportunities from ownership.

Measurement:

Upon initial recognition the *Hawesko Group* measures a financial asset at fair value and – in the event of a financial asset subsequently not measured at fair value through profit or loss – the transaction costs arising directly on the acquisition of that asset. Transaction costs of financial assets measured at fair value through profit or loss are recognised as expense through profit or loss.

Subsequent measurement of debt instruments is dependent on the business model of the *Hawesko Group* for the management of the asset and cash flow characteristics of the asset. For this purpose debt instruments are classified using three measurement categories:

- AC: assets that are held for the collection of the contractual cash flows, where these cash flows represent exclusively interest and principal repayments, are measured at amortised cost. Interest income from these financial assets is reported under financial income using the effective interest method. Gains or losses from derecognition are captured directly within the income statement and – together with foreign exchange gains and losses – recognised under other gains (or losses).
- FVOCI: assets that are held for the collection of the contractual cash flows and for the sale of assets, where these cash flows represent exclusively interest and principal repayments, are measured at fair value through profit or loss. Changes in the

carrying amount are recognised within other comprehensive income, with the exception of the impairment income or expenses, interest income and gains and losses on foreign currency, which are reported through profit or loss. Upon derecognition of the financial asset, the accumulated gain or loss previously stated under other comprehensive income is reclassified from equity to the income statement and reported under other gains or losses. Interest income from these financial assets is reported under financial income using the effective interest method. Foreign exchange gains and losses are recognised under other gains or losses and impairment losses are reported under a separate item in the income statement.

- FVtPL: assets that do not meet the criteria for the “amortised cost” or “FVOCI” categories are placed in the “fair value through profit or loss” (FVtPL) category. Gains or losses from a debt instrument that is subsequently measured at FVtPL are offset through profit or loss within the other gains or losses in the period in which they occur.

Changes to the fair value of the financial assets measured at fair value through profit or loss are reported in the income statement under other gains or losses.

Impairment:

The group adopts a forward-looking approach to the assessment of the expected credit losses associated with debt instruments that are measured at amortised cost or at fair value through other comprehensive income. The impairment method depends on whether a significant increase in the credit risk exists. In the case of trade receivables, the group applies the simplified approach according to IFRS 9, under which the expected credit losses over time are to be recognised from first-time recognition of the receivables. In determining whether the non-payment risk of a financial asset has increased significantly since its initial recording and in estimating expected credit losses, the group uses appropriate, reliable information that is relevant and available at no undue time and cost.

This includes both quantitative and qualitative information and analyses that are based on past experience of the group and well-founded assessments, including forward-looking information. The group assumes that the non-payment risk of a financial asset has increased significantly if it is overdue by more than 90 days.

The group treats a financial asset as in default if

- it is unlikely that the debtor can discharge its credit obligation towards the group in full without the group needing recourse to measures such as realising collateral, or
- the financial asset is overdue by more than 365 days

The *financial assets* include primarily cash in banking accounts and cash on hand, trade receivables as well as other loans extended and receivables.

Accounts receivable and other financial assets are recognised at amortised cost or at cost.

If the *Hawesko Group* has fulfilled its contractual obligations, a contract asset or a receivable is recognised. Receivables are recognised if the entitlement to receive consideration is no longer subject to any conditions. This normally occurs if the group is contractually entitled to invoice the customer. For trade customers, a receivable is normally recognised upon shipping of the goods because at that point the entitlement to consideration is unconditional. In other words, payment is due automatically from that point on, with the passage of time. For private customers, the receivable is recognised upon successful acceptance of the goods by the customer or upon fulfilment of the shipping terms in the contract of sale.

Trade receivables are in respect of amounts owed by customers for the goods sold in the normal course of business. These are classified entirely as current, in a reflection of their payment deadlines. The trade receivables are recognised in the amount of the unconditional consideration upon initial recognition and measured at amortised cost. In view of the short-

term nature of the receivables, the carrying amount recognised after necessary impairment corresponds to the fair value.

Cash in banking accounts and cash on hand has a maturity of up to three months upon its addition and is measured at nominal value.

Financial liabilities include liabilities to banks, lease liabilities, trade payables and derivative financial liabilities.

Loans raised (*borrowings*) are recognised first at fair value less transaction costs arising. The loans are subsequently measured at amortised cost. Differences between the amounts received (less transaction costs) and the repayment amount are recognised through profit or loss over the term of the loans, using the effective interest method. Loans are accounted for as current liabilities to the extent that the group does not have an unrestricted right to delay fulfilment of the obligation by at least twelve months after the reporting period. A fundamental worldwide reform of the key reference rates is under way, including the substitution of certain interbank offered rates (IBORs) with alternative, virtually risk-free interest rates. This process is known as the IBOR Reform. The group has assessed to what extent existing financial instruments are affected by the IBOR Reform. Variable-rate financial instruments in existence at 31 December 2022 remain linked to the EURIBOR. Other reference rates affected by the reform are not relevant for the group at the reporting date.

Trade payables and other financial liabilities are recognised at amortised cost using the effective interest method, with the interest expense recorded on the basis of the effective interest rate.

Derivative financial instruments are concluded to hedge currency and interest rate risks. The derivative financial instruments are reported at fair value upon initial recognition. Their subsequent measurement is likewise at fair value. The fair value is determined by investment mathematics methods and on the basis of the market data available at the reporting date.

Derivatives that are not bound up in an effective hedging relationship according to IFRS 9 are placed in the category of “financial assets and liabilities at fair value through profit or loss”. They are measured at fair value. A gain or loss from subsequent measurement is recognised through profit or loss.

For the hedging of future cash flows (cash flow hedges), the hedges are measured at fair value. The designated effective portion of the hedge is to be recognised in other comprehensive income. Only when the underlying transaction is realised are these recognised through profit or loss. The ineffective portion of a cash flow hedge is posted immediately to profit or loss.

Financial assets and liabilities are only offset and reported as a net amount on the balance sheet if a legal entitlement to do so exists and there is the intention to offset them in net terms or to settle the corresponding liability simultaneously with realisation of the asset in question.

Sales revenues and contract liabilities

Sales revenues include all proceeds from the ordinary activities of the *Hawesko Group*. Ordinary activities are not limited merely to core business and also include other recurring trade.

Conversely, gains from the sale of property, plant and equipment or intangible assets are recognised as other operating income rather than as sales revenues. All incidental revenues arising in connection with trade in the course of an enterprise’s ordinary activities are equally reported under sales revenues.

Sales revenues are reported exclusive of value-added tax and other taxes levied from customers and passed on to the tax authorities.

In cases where an enterprise has the position of an intermediary between another supplier and an end customer, it is necessary to assess whether the enterprise itself renders delivery of the product in question as the principal, or acts merely as the supplier’s agent. The outcome of this decision determines whether the enterprise can recognise revenue on a gross basis (as principal) or on a net basis after deduction of costs in respect of the supplier (as agent). In the absence of control and an inventory risk, *Hawesko Holding* realised agency income of € 4.3 million for the goods sold in the financial year (previous year: € 4.3 million).

For the *Hawesko Group* the question arises specifically in cases where the goods are supplied directly to the customer by the producer, for example in the case of sales revenues from product brokerage via online-based platforms (marketplace sales). In these transactions, the *Hawesko Group* acts as agent.

A *contract liability* is an obligation of the group to a customer to deliver goods or provide services for which the customer has already given consideration in the form of advance payments. The contract liabilities above all comprise liabilities from subscription business as well as from customer bonus programmes and gift vouchers.

In subscription business, receipt of the customer’s advance payments for future deliveries of goods creates a contract liability that is realised as sales upon delivery of the subscribed wines to the customer. In customer bonus programmes, customers can normally build up a bonus credit balance through regular purchases of wine and redeem it in subsequent transactions. The sales revenues for accumulated bonuses are realised at the time of redemption. The basis for measurement of the bonus entitlements is a forward-looking consideration of redemption behaviour taking account of historical values. The measurement is recalculated afresh each year

based on the redemption behaviour weighted by market and customer group, and applied to all additions for the year. Utilisation is measured at the average rate for the bonus programme at the start of the year (equal to that of the previous year). Bonus entitlements not redeemed are realised through profit after the contractual expiry period.

The consideration received from the sale of gift vouchers is accounted for as a contract liability and realised as sales at the time the vouchers are redeemed. Unredeemed gift vouchers are released through profit after the statutory expiry period. They are recognised under non-current or current contract liabilities, depending on the expected redemption behaviour. The group recognises current contract liabilities from gift vouchers because experience has shown that these obligations fall due within the first 12 months after acquisition of the gift voucher by the customer.

Recognition of income and expense

According to the provisions of IFRS 15, sales revenues are recognised at the point when the promised goods and services (assets) are transferred to the customer and the *Hawesko Group* consequently fulfils its performance obligation. An asset is deemed transferred if the customer gains power of disposal over that asset, in other words can determine its use and essentially extract the remaining value from it. The performance obligation is regularly deemed met if the products have been shipped to the designated place or are handed over to the customer at the place of sale, the risks pass to the customer and the latter takes charge of the products in agreement with the contract of sale (normally based on Incoterms in B2B mail order business and on acceptance of the goods by the customer in B2C mail order business).

Sales revenues are recognised in the amount that the *Hawesko Group* can expect in return for the transfer of the promised goods or services. The sales revenues are reduced by reductions in sales proceeds, taxes and fees. Discounts granted on total sales are assigned to the respective goods in proportion to their individual

selling prices. On the other hand discounts granted only for certain articles are assigned only to those articles. For customers in the B2B segment, customary payment deadlines of 30 to 60 days are usually agreed, with the result that there is no significant financing component. In the B2C segment, payments by direct debit or credit card and using digital payment services are normally agreed with no significant payment deadline.

Almost exclusively time-related, but no significant period-related, performance obligations are met within the group.

Retroactive volume discounts based on total sales over a period of twelve months are often agreed on the sale of wines in the B2B segment. The proceeds of these sales are recognised in the amount of the price specified in the contract, less the estimated volume discounts. The estimate of the provision for volume discounts to be granted is based on past experience. In the past, estimated values did not differ materially from the final settlements in view of their low complexity. Sales revenues are recognised only to the extent that it is very likely that no significant cancellation of sales will become necessary. A receivable is recognised for trade customers upon shipping of goods and for private customers upon acceptance of the goods, because at that point the entitlement to consideration is unconditional. Payment is therefore due automatically from that point on, with the passage of time.

In the case of sales by retail outlets and shops, proceeds from the sale of wines are recognised when the products are handed over to customers. Payment of the transaction price is due immediately when the customer acquires and accepts the goods. The partners who operate the retail outlets and shops act as agents on behalf of the *Hawesko Group*. In the e-commerce and Retail segments, the *Hawesko Group* in some cases offers its end customers a right of return of normally between 14 days and three months. A refund liability and to some extent a right of return for the goods are correspondingly recorded for the products that will

prospectively be returned. Past experience is suitably applied at the time of sale in estimating these returns. Because the number of product returns was almost constant in recent years, it is very likely that there will be no significant reversal of the proceeds recorded in this way. The validity of this assumption and the estimated number of returns are remeasured at each reporting date.

The *Hawesko Group* runs various customer loyalty programmes under which customers can collect points as they shop, earning them an entitlement to money off subsequent purchases. A contract liability for the points is recognised at the time of the sale. The proceeds from the points are recognised when these are redeemed or expire as per the terms.

With the points, customers are granted a material right that they would not receive without concluding a contract. The promise to credit the customer with points constitutes a separate performance obligation. The transaction price is assigned to the product and the points based on the relative individual selling prices. The management estimates the individual selling price per point based on the discount that is granted at the time the points are redeemed and with reference to the likelihood of redemption, based on past experience.

Subscription business is a distinctive feature of the wine trade. Here, the customer pays for the wines on account one to two years before they are actually delivered; meanwhile the wines are procured one to two years in advance and the winemaker receives a down payment. Because the wines in question are very high-price, high-quality wines, the winemakers take orders for them from traders and customers very early on, as they cannot otherwise guarantee that the desired quantities will be available. Because the advance payments that customers make for these consequently have the primary purpose of making sure the goods are available to them, a possible financing component of the sales transaction does not arise.

In addition to the proceeds from the sale of wines and sparkling wines as well as other alcoholic beverages, the *Hawesko Group* generates some of its sales through brokerage commissions in online marketplaces. Sales from these agreements are realised upon fulfilment of the performance obligation, in other words at the time the goods are delivered.

Taxes on income

Current tax expense comprises the actual income tax expense. The tax liabilities and receivables mainly comprise liabilities or claims for domestic and foreign income tax. They relate to both the current year and any liabilities or claims from previous years. The liabilities and claims are created on the basis of the fiscal provisions in the countries of the respective business activities.

Deferred taxes result from the temporarily divergent valuations in the IFRS consolidated balance sheet and the respective tax balance sheet values for these asset and liability items. Deferred tax assets on fiscally realisable loss carryforwards are capitalised if it is likely that taxable income is to be expected in the future. They are determined on the basis of corporate planning and the anticipated tax rates in the individual countries at the time of realisation. These are based fundamentally on the statutory provisions that are valid or approved at the balance sheet date. Future income tax receivables and obligations resulting from the preparation of the accounts according to IFRS are carried as deferred tax assets and liabilities. Deferred taxes are offset subject to two conditions. On the one hand a corresponding legally enforceable entitlement to offsetting must exist. On the other hand the deferred tax assets and liabilities must relate to income taxes levied by the same taxation authority for either the same taxable entity or for different taxable entities that intend to offset them in net terms.

6. ESTIMATES, ASSUMPTIONS AND DISCRETIONARY DECISIONS

Preparation of the IFRS consolidated financial statements involves making estimates and assumptions which have an effect on the measurement and disclosure of assets and debts, the reporting of contingent liabilities at the balance sheet date and the disclosure of income and expenditure. These estimates and assumptions are based on past experience and on other factors taking potential future events into account. All estimates and assessments are subject to ongoing review and remeasurement. The actual figures may differ from the amounts obtained by estimates and assumptions. Key estimates and assumptions are required above all in the following areas:

Goodwill is tested annually for impairment in accordance with IAS 36. The recoverable amount is determined on the basis of the fair value less disposal costs for the cash-generating unit. Cash-generating units normally represent individual subsidiaries within the group. Determining the fair value in particular requires estimates of the future cash flow based on group planning. The most important assumptions on which the calculation of fair value is based comprise the discount rate, the net cash flows and the sustainable growth rate.

Many leases held by the *Hawesko Group* contain extension and termination options. Responsibility for negotiating and designing leases rests with the local companies, and for that reason lease agreements exhibit a variety of contractual conditions. This gives the management of each company the necessary operational flexibility to manage its business, in other words manage the underlying lease assets, as well as the scope to respond to changing business requirements.

The majority of leases within the group consist of contracts for rental of land, office properties and retail shops. Most of these are situated in Germany and Austria.

The term of these leases largely determines the level of the lease liabilities.

Most leases for retail shops feature a non-cancellable basic rental period of three to five years, which may often be extended several times in each case by between three and five years. After the expiry of the non-cancellable basic rental period the lease rolls over automatically normally by a further twelve months if neither party terminates the lease or if the *Hawesko Group* exercises one of its extension options as the lessee.

In determining the term of the lease, all facts and circumstances that represent an economic incentive for the *Hawesko Group* to exercise an extension option or not to exercise a termination option are assessed and taken into consideration. Extension options (or periods covered by termination options) are only considered a component of the term of a lease if the *Hawesko Group* is reasonably certain that it will exercise the extension option or will not exercise the termination option. Under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, exercise is considered “reasonably certain” if it is less than “virtually certain” and more certain than “more likely than not”.

After the start of use, the probability of exercising an option should only be reassessed if there is a significant event or significant change in the circumstances with an effect on the original assessment and those events or changes are under the control of the lessee. The *Hawesko Group* reassesses the term of a lease if an option is exercised or not exercised or if the group is under an obligation to exercise or not exercise an option.

Determination of the incremental borrowing rate to safeguard the lease liability is performed quarterly by the Corporate Finance department. The incremental borrowing rate represents the group-specific interest rate for the raising of funds with a similar maturity in order to finance the asset in question.

The measurement of inventory risks within inventories depends substantially on the assessment of future demand and of the time for which stocks of goods are held as a result, and in the case of especially high-price wine segments (primarily *Grand Crus*) the estimate of future market price development. For high-price wines, this estimate is made based on market price observations and on discussions with market participants (in particular the French wine commercial brokers, or courtiers).

The management creates allowances for receivables to account for expected losses resulting from customers' inability to pay. The principles used by the management to assess the appropriateness of allowances for receivables comprise the maturity structure of the outstanding balances and experience of write-offs of receivables in the past, the creditworthiness of customers and changes in payment behaviour. In the event of a deterioration in the financial position of customers, the scope of write-offs to be made may exceed the scope of expected write-offs.

The deferred tax assets on loss carryforwards are based on corporate planning for the coming three or four financial years, which include future-related assumptions for example on overall economic development and the development of the market for wine trading. We refer to section 22 regarding the level of the capitalised deferred tax assets on loss carryforwards and the level of the loss carryforwards on which no deferred tax assets were created.

Provisions for pensions are measured according to actuarial principles. These methods are based on actuarial parameters such as the discounting rate, income and pension trend, and life expectancy. In view of the fluctuating market and economic situation, the underlying assumptions may depart from the actual development and have a material impact on the obligation for retirement benefit payments post-employment.

Provisions for reconversion obligations for installations in the catering outlets and for returning the leased asset to the condition required in the lease agreement are recognised in the amount of the present value of the estimated future obligations. A corresponding amount in reconversion obligations is capitalised as a component of the cost of leasehold improvements and rights of use. The estimated cash flows are discounted based on an appropriate discounting rate for the maturities and risks. Compounding is recognised in the statement of comprehensive income as interest expense in the period in which it occurs. The key assumptions and estimates in the measurement of the lease liabilities are detailed in section 5.

The determination of liabilities from customer bonus programmes depends substantially on the assessment of how likely it is that the credit acquired will be redeemed. For this purpose assumptions are made based on the frequency of customer purchases and the quality of the credit balance.

The current other financial liabilities for the financial year include the put option of the minority interest in the company *Global Wines & Spirits*. The put option was classified as current because it can potentially be exercised imminently. In the previous year, this balance sheet item included the put option of the minority interest in the company *WirWinzer*.

CONSOLIDATED COMPANIES

7. CONSOLIDATED COMPANIES

The group under *Hawesko Holding SE*, with its registered office in Hamburg, comprises a total of 21 (previous year: 19) domestic and foreign companies, as well as one (previous year: one) international joint venture over which *Hawesko Holding SE* directly or

indirectly exercises joint control. This is the smallest group of consolidated companies. In addition, the company is included in the consolidated financial statements of *Tocos Beteiligung GmbH* with registered office in Hamburg (as the largest group of consolidated companies).

FULLY CONSOLIDATED SUBSIDIARIES	<i>Internal designation</i>	<i>Registered office</i>	<i>Segment</i>	<i>Ownership interest, % 2022</i>	<i>Ownership interest, % 2021</i>
<i>Global Eastern Wine Holding GmbH</i>	GEWH	Bonn	B2B	100.0	100.0
<i>Global Wines & Spirits s.r.o.</i>	Global Wines & Spirits	Prag (Czech Republic)	B2B	80.0	47.5
<i>Globalwine AG</i>	Globalwine	Zürich (Switzerland)	B2B	90.0	90.0
<i>Grand Cru Select Distributionsgesellschaft mbH</i>	Grand Cru Select/ CWD	Bonn	B2B	100.0	100.0
<i>Sélection de Bordeaux SARL</i>	Sélection de Bordeaux	Straßburg (France)	B2B	100.0	100.0
<i>Vins de Prestige Classics SARL (in liquidation)</i>	Vins de Prestige	Bordeaux (France)	B2B	-	100.0
<i>Wein Service Bonn GmbH</i>	WSB	Bonn	B2B	100.0	100.0
<i>Wein Wolf GmbH</i>	Wein Wolf	Bonn	B2B	100.0	100.0
<i>Wein Wolf Import GmbH & Co. Vertriebs KG</i>	Wein Wolf Österreich	Salzburg (Austria)	B2B	100.0	100.0
<i>Weinland Ariane Abayan GmbH</i>	Abayan	Hamburg	B2B	100.0	100.0
<i>Jacques' Wein-Depot Wein-Einzelhandel GmbH</i>	Jacques'	Düsseldorf	Retail	100.0	100.0
<i>Wein & Co. Handelsgesellschaft m.b.H.</i>	Wein & Co.	Vösendorf (Austria)	Retail	100.0	100.0
<i>Tesdorpf GmbH (formerly: Carl Tesdorpf GmbH)</i>	Tesdorpf	Lübeck	e-commerce	100.0	100.0
<i>Hanseatisches Wein- und Sekt-Kontor HAWESKO GmbH</i>	HAWESKO	Hamburg	e-commerce	100.0	100.0
<i>IWL Internationale Wein Logistik GmbH</i>	IWL	Tornesch	e-commerce	100.0	100.0
<i>The Wine Company Hawesko GmbH</i>	The Wine Company	Hamburg	e-commerce	100.0	100.0
<i>Wein & Vinos GmbH</i>	Vinos	Berlin	e-commerce	100.0	90.0
<i>WeinArt Handelsgesellschaft mbH</i>	WeinArt	Geisenheim	e-commerce	51.0	51.0
<i>WirWinzer GmbH</i>	WirWinzer	München	e-commerce	100.0	84.6
<i>WineCom International Holding GmbH</i>	WineCom International	Hamburg	e-commerce	100.0	-
<i>WineTech Commerce GmbH</i>	WineTech	Hamburg	Miscellaneous	100.0	100.0

On 21 March 2022 WineCom International was established and included in the group.

By notarised deed dated 19 July 2022 *Hawesko Holding SE* contributed its shares in *WirWinzer* to *WineCom International* by way of a capital increase for cash with share premium in kind.

With effect from 1 July 2022 *GEWH* acquired a further 47.5 percent of the shares of *Global Wines & Spirits* and can therefore determine the relevant activities of the Prague-based company. The company has been fully consolidated since 1 July 2022. By deed of 20 December 2022, 15 percent of the shares acquired in *Global Wines & Spirits* were resold. The group therefore holds 80 percent of the shares.

The liquidation of the company *Vins de Prestige Classics SARL*, Bordeaux, was completed in November 2022.

With effect from 1 January 2021 *Volume Spirits GmbH* and *Alexander Baron von Essen Weinhandelsgesellschaft mbH*, both with registered office in Bonn, were merged with *Wein Wolf*. Also with effect from 1 January 2021, *Grand Cru Select Weinhandelsgesellschaft m.b.H* with registered office in Hamburg was merged with *CWD*. With effect from 18 August 2021 *Deutschwein Classics Verwaltungsgesellschaft mbH*, Bonn, which was previously not included in the group, was merged with *Wein Wolf*. By universal effect *Deutschwein Classics als GmbH & Co. KG* accrued to *Wein Wolf* and the company thus ceased to exist.

The following subsidiaries are not included in the consolidated financial statements in view of their minor economic significance:

NON-CONSOLIDATED SUBSIDIARIES	<i>Registered office</i>	<i>Ownership interest, %</i>	<i>Capital €'000</i>	<i>Net earnings 2022, €'000</i>
<i>Verwaltungsgesellschaft Wein Wolf Import GmbH</i>	Salzburg (Austria)	100.0	43	4
<i>WirWinzer Mercato del Vino s.r.l.</i>	Bolzano (Italy)	100.0	10	-

8. MATERIAL CHANGES IN CONSOLIDATION

Business combination with gain of control

Acquisition of a further 47.5 percent of the shares of Global Wines & Spirits

By deed of 13 July 2022 the group acquired a further 47.5 percent of the shares and voting rights in *Global Wines & Spirits* for €9 million (cash payment) and therefore holds 95 percent of the shares of the company. Up until the point of purchase *Global Wines & Spirits* was accounted for under IFRS 11 as a joint venture.

Global Wines & Spirits s.r.o. is one of the Czech Republic's leading wine distribution and omnichannel companies. In addition to its strong B2B business, *Global Wines & Spirits s.r.o.* has ten outlets and an e-commerce arm.

Global Wines & Spirits s.r.o. was first included in the consolidated financial statements with effect from 1 July 2022. The fair values of the acquired assets and debts as carried at the time of acquisition can be reconciled as follows:

FAIR VALUES €'000	2022
Intangible assets	6,881
Property, plant and equipment	1,979
Inventories	5,373
Receivables and other assets	2,030
Bank accounts in credit	2,633
TOTAL ASSETS	18,895
Lease liabilities	1,824
Trade payables	3,295
Other liabilities	1,117
TOTAL LIABILITIES	6,236
Deferred tax	-1,306
NET ASSETS EXCL. DIFFERENCES	11,353
DERIVATIVE GOODWILL	7,214
Acquisition cost	18,000
Non-controlling interests based on the share of the recognised assets and debts of <i>Global Wines & Spirits</i>	567

The fair value of the shares held to date was determined using the present value method and checked for plausibility using the market method. As input factors for Levels 1 and 2 of the fair value hierarchy according to IFRS 13 were not available at the time of gain of control, the Level 3 input factors were taken. The principal input factors used in determining this fair value were an assumed discount rate of between 6.7 and 7.7 percent and an assumed long-term growth rate of 1.0 percent. As a result of uncovering hidden reserves, customer contacts (€4,254 thousand) and one brand (€2,619 thousand) were capitalised as intangible assets.

Customer contacts were measured according to the multi-period excess earnings method. In this method, the fair value of the customer base is determined by calculating the present value of earnings after taxes that can be attributed to the existing customers. The customer base is amortised over the residual life of around 17 years for key accounts and of six years for B2B customers.

The brand was measured using the relief from royalty method. In this method, the value of the brand is calculated by assuming what notional royalty rates would be due if the asset in question were not owned by the company. The brand is amortised over the residual life of 15 years. The carrying amounts of the acquired receivables reflect the fair values. No significant contingencies were identified. The deferred tax liabilities comprise the tax effect from temporary differences between the fair value of the respective assets and debts and the corresponding carrying amount for tax purposes.

Goodwill as a result of the acquisition was accounted for as follows:

GOODWILL €'000	2022
Cash payment	9,000
Fair value of shares previously held in <i>Global Wines & Spirits</i>	9,000
CONSIDERATION TRANSFERRED	18,000
Non-controlling interests based on the share of the recognised assets and debts of <i>Global Wines & Spirits</i>	567
Fair value of identifiable net assets	-11,353
GOODWILL	7,214

The remeasurement of the existing 47.5 percent share of the group in *Global Wines & Spirits* at fair value led to a gain of €4,996 thousand (€9 million less €4,004 present value of the company at the time of acquisition accounted for using the equity method). This amount is recognised in the other financial result (see section 15).

The goodwill stems principally from the skills and specialist talent of the *Global Wines & Spirits* workforce. The goodwill recorded is prospectively not tax-deductible.

Global Wines & Spirits s.r.o. is the market leader in the Czech Republic and represents a strong brand. In acquiring the brand, the group has expanded its presence in the Czech B2B market. Based on the planning and the expected future cash flows, the goodwill is sound.

The acquired contractual receivables amounted to €1,866 thousand gross at 1 July 2022 and are fully recoverable because they will lead to or have led to expected payments received.

The consolidated net income includes €950 thousand from the surplus generated by *Global Wines & Spirits* in the third and fourth quarters of 2022, and the sales revenues include external sales of *Global Wines & Spirits* amounting to €15,061 thousand. If it had been part of the group for the entire financial year, *Global Wines & Spirits* would have generated external sales amounting to €25,018 thousand and a profit of €2,435 thousand.

Business transactions with non-controlling interests

Sale of 15 percent of the shares Global Wines & Spirits

With effect from 20 December 2022, 15 percent of the shares and voting rights in *Global Wines & Spirits* were sold to *TOMOT s.r.o.* The transaction price came to € 2.84 million and was due immediately. In this connection *Hawesko Holding SE* gave the financing bank subordinated guarantees that are considered unlikely to be drawn on at the time of preparation of these financial statements. Under the transaction the *Hawesko Group* still holds 80 percent of the company's shares and therefore retains a voting majority. *TOMOT* had already held 5 percent of the shares for some years. As part of the acquisition of the voting majority by the *Hawesko Group*, both sides wished to extend the partnership by increasing their stakes.

Immediately prior to sale, the carrying amount of the existing 5 percent non-controlling interest in *Global Wines & Spirits* was € 620 thousand. The sale of the shares presented above was captured through other comprehensive income as an equity transaction with minority shareholders. This produced an increase in the non-controlling interests in the amount of € 1,858 thousand and an increase in the equity attributable to the shareholders of the parent company in the amount of € 984 thousand. The effect on the equity attributable to the shareholders of *Hawesko Holding SE* in the financial year can be summarised as follows:

SALE OF 15 PERCENT OF THE SHARES OF GWS €'000	2022
Purchase price received for non-controlling interests	2,842
Carrying amount of shares disposed of	-1,858
INCREASE IN EQUITY OF THE SHAREHOLDERS OF HAWESKO HOLDING SE	984

Put options for 20 percent of the shares arose in connection with the transaction. The opportunities and risks from the shares remain with the minority interest, with the result that the shares of non-controlling interests continue to be reported as such. The put option was initially measured at buy-back price and accounted for within current other financial liabilities. The transaction was recognised income-neutrally within the equity of the shareholders of *Hawesko Holding* in the amount of € 4.0 million.

Acquisition of a further 15 percent of the shares WirWinzer

In May 2022 the minority interest in *WirWinzer* exercised the put option on its shares in the company and sold a total of 15 percent of the shares of *WirWinzer* to *Hawesko Holding* with effect from 30 June 2022. The purchase price paid amounts to € 4.1 million, for which a liability in the same amount had already been recognised in the 2021 consolidated financial statements. Following completion of the transaction the group holds 100 percent of the shares in *WirWinzer*. Immediately before the acquisition the carrying amount of the existing 14.6 percent non-controlling interest in *WirWinzer* came to € 0.7 million. The group has recognised a reduction in the non-controlling interests in the amount of € 0.7 million and an increase in the equity attributable to the owners in the amount of € 0.7 million. The effects on the equity attributable to the owners of *Hawesko Holding* in the financial year can be summarised as follows:

ACQUISITION OF A FURTHER 15.4 PERCENT IN WIRWINZER GMBH €'000	2022
Carrying amount of the non-controlling interests	650
Carrying amount of the recognised liability from the put option	4,074
Consideration paid to non-controlling interests	-4,074
EXCESS CONSIDERATION PAID, FOR ACQUISITION OF MINORITY INTEREST IN SUBSIDIARIES ALREADY INCLUDED IN CONSOLIDATION	650

The outpayment is recognised in the cash flow statement within cash flow from financing activities, under business transactions with non-controlling interests.

Mergers and accruals of B2B companies in previous year

By notarised merger agreement dated 11 June 2021 with effect from 1 January 2021 *Volume Spirits GmbH*, Bonn, and *Alexander Baron von Essen Weinhandels-gesellschaft GmbH, Bonn*, were merged with *Wein Wolf*. The entries on the Commercial Register were made on 21 June 2021. No merger result under commercial law arose in the previous year and there was consequently no elimination in the consolidated financial statements.

By notarised merger agreement dated 11 June 2021 *Grand Cru Select Weinhandelsgesellschaft mbH*, Hamburg, was merged with *Grand Cru Select Distributionsgesellschaft mbH* (formerly *CWD*) with effect from 1 January 2021. The entry on the Commercial Register was made on 21 June 2021. The commercial-law merger loss of € 1,202 thousand was eliminated in the 2021 consolidated financial statements.

By notarised demerger and takeover agreement dated 11 June 2021 with effect from 1 January 2021, the entire business operations of *WSB* along with the shares present, except for the shares in *Wein Wolf*, were transferred to *Wein Wolf*. The entries on the Commercial Register were made on 28 June 2021.

By notarised merger agreement dated 13 July 2021 with effect from 1 January 2021 *Deutschwein Classics Verwaltungsgesellschaft mbH*, Bonn, was merged with *Wein Wolf*. The entries on the Commercial Register were made on 18 August 2021. By universal effect *Deutschwein Classics GmbH & Co. KG*, Bonn, accrued to *Wein Wolf as a GmbH & Co. KG* and the company *DWC* thus ceased to exist. The commercial-law merger or accrual loss of € 340 thousand was eliminated in the 2021 consolidated financial statements.

By the notarised capital increase resolutions dated 3 November 2021 the shares of *Grand Cru Select Distributionsgesellschaft mbH* (formerly *CWD*) were contributed and transferred with immediate effect first to *Wein Service Bonn* by way of share premium for the issuance of the new shares for each € 1 thousand of the capital increase, and then to *Wein Wolf*. The entries on the Commercial Register were made on 25 November 2021 for *WSB* and on 27 December 2021 for *Wein Wolf*.

EFFECTS OF THE GEOPOLITICAL SITUATION

Russia/Ukraine war

The Russian army's invasion of Ukraine at the end of February 2022 caused a crisis whose political and economic fallout has had a significant negative impact. Increased inflation, the uncertainty surrounding resources and other possible effects of the war weigh on the European market. Measures to manage costs and prices have been drawn up and will be fine-tuned depending on how the situation develops. The *Hawesko Group* does not have any significant customer or supplier relationships with Russia or Ukraine, so the impact on the valuations of the group's assets and debts is limited. The war nevertheless has indirect consequences for the market environment and the general economic situation, representing a risk to the sales performance of the group from changing customer behaviour and declining consumption. This risk is already covered by the group's risk management system under the risk of business cycle dependence. The Board of Management does not believe its classification needs changing. No other substantial risks are currently identifiable.

Inflation

The clearly elevated inflation rate is strongly dependent on the economic impact of the war, the shortage of energy resources and the recent coronavirus pandemic. Greater uncertainty surrounding the availability of raw materials is weighing on prices and disrupting production and supply chains, putting the brakes on economic development. The effects on the group manifest themselves in a variety of ways. The higher producer prices and logistics costs put pressure on gross margins, as do the higher cost of paper, personnel and energy on the overall cost situation. The squeeze on consumer purchasing power and the resulting shift in consumer behaviour also erode sales revenues. In the financial year the *Hawesko Group* therefore took steps to limit inflationary

effects by adjusting its price and range policy and revisiting its cost management approach. Corporate planning for 2023 and beyond was therefore adjusted to suit. The measures had no effect on the intrinsic value of goodwill.

The shift in financial pressures on businesses and private individuals brought on by inflation is also suitably reflected in the risk assessment and analysis of the soundness of financial assets (especially trade receivables) and has been taken into account when calculating expected credit losses. However the group did not register any increase in defaults in 2022 and moreover expects no material changes in future periods in view of its customer and receivables structure.

The group has a comparatively low level of indebtedness to financial institutions. Financing is generally needed to cover seasonal fluctuations. Although the clear rise in financing interest has a negative effect on interest expense, there is no major risk to future refinancing.

Environmental, Social, Governance (ESG)

Environmental, Social, Governance (ESG) describes how business contributes to sustainable economic development over and above the statutory requirements. The issue is of growing importance for businesses and investors. ESG criteria and ratings were introduced in the past year. *Hawesko Holding SE* has incorporated the principle of sustainability into its current CSR strategy and undertakes to observe further changes and sustainability goals.

The *Hawesko Group* does not have production facilities of its own and belongs in the “commerce” sector of the economy. To that extent the group has only indirect influence over how effectively the relevant environmental standards are complied with in the growing and production of the products it trades in. Nevertheless, the group considers it is important to integrate the sustainability aspects of group decisions into management and processes. Equally, as matters stand the commerce sector of the economy is barely covered by the classification system of the European Union (EU) for the clear definition of “environmentally sustainable” business activities (sustainable finance taxonomy - EU taxonomy). Technical criteria for determining to what extent the *Hawesko Group* is aligned with the EU taxonomy are fundamentally lacking and it is therefore not yet possible to make declarations based on the environmental classification.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

9. SALES REVENUES

The classification of the sales revenues by customer groups corresponds to the sales revenues by segment according to IFRS 8, because the latter reflect the respective nature, level and uncertainty of revenues and cash flows.

€'000	2022	2021
e-commerce	242,398	268,877
Retail	228,486	238,438
B2B	200,598	173,215
Miscellaneous	-	-
	671,482	680,530

Independently of the segments, sales revenues are broken down into the following categories:

€'000		2022	2021
Shops/outlets	(almost exclusively Retail)	212,630	214,831
Online mail-order purchases	(almost exclusively e-commerce and Retail)	185,590	204,824
Restaurants, hotel trade and specialist retail trade	(B2B)	141,121	117,925
Other mail-order purchases	(e-commerce)	73,409	86,483
Food retailers	(B2B)	49,120	48,111
Other income	(B2B)	9,612	8,356
		671,482	680,530

Other income shows essentially income from events and sales from diverse channels of minor significance. The regional breakdown of sales revenues is as follows:

SALES BREAKDOWN BY REGION €'000	2022	2021
Germany	560,111	585,936
Austria	52,399	50,661
Switzerland	21,425	20,018
Sweden	11,184	13,968
Czech Republic	15,056	-
Miscellaneous	11,307	9,948
	671,482	680,530

Miscellaneous is essentially the combined figure for the United Kingdom, France and Denmark.

10. OTHER OPERATING INCOME

€'000	2022	2021
Rental income	11,413	11,754
Income from cost refunds	2,110	1,784
Income from currency translation	648	746
Sundry	7,726	5,498
	21,897	19,782

The rental income mainly consists of income from the use of the furnished wine shops by the retail partners at *Jacques'*. The retail partners act as agents of the *Hawesko Group*. In return they receive a partner's commission, which is reported under other operating expenses.

Sundry income comprises such items as reversals of liabilities and provisions in the amount of €3,346 thousand (previous year: €1,196 thousand).

11. GOVERNMENT GRANTS

€'000	2022	2021
Compensation for lost sales resulting from officially decreed closures	233	316
Reimbursement of employer contributions to social insurance due to short time	3	342
	236	658

As a result of the COVID-19 pandemic, *Hawesko Group* subsidiaries received government grants that varied from country to country. Government grants are stated as soon as there is reasonable assurance that all eligibility conditions are met and the grant is made in full.

The grants contained in the financial statements in compensation for lost sales due to officially decreed closures are reported as sundry other operating income. The grants received for employer contributions to social insurance for registering for the short-time work support scheme are recognised as a cost-reducing

factor within personnel expenses. Other forms of government support (investments) are listed on the balance sheet for the financial year (see section 5). There are no material unfulfilled conditions or other contingencies for the grants recognised.

12. PERSONNEL EXPENSES

€'000	2022	2021
Wages and salaries	64,144	64,138
Social security and other pension costs	12,008	10,782
- of which in respect of old age pensions	306	231
	76,152	74,920

In 2021, *Wein & Co.* and virtually all companies in the B2B segment were temporarily registered for short-time working due to the COVID-19 pandemic.

The average number of employees was as follows:

GROUP	2022	2021
Commercial employees	987	936
Industrial employees	256	239
Trainees	18	18
	1,261	1,193

13. DEPRECIATION/AMORTISATION AND IMPAIRMENT

€'000	2022	2021
Depreciation/amortisation of intangible assets	5,088	5,364
Depreciation/amortisation of property, plant and equipment (excluding rights of use)	3,650	3,532
Write-downs on rights of use	14,045	13,231
Write-up of intangible assets	-45	-
	22,738	22,127

Immaterial write-downs were performed in the year under review. The figure for the previous year also includes write-downs amounting to € 507 thousand for software no longer in use. Write-ups amounting to € 45 thousand were performed in the financial year for software licences already written down because they remain in use, contrary to past assumptions. There were no write-ups in the previous year.

14. OTHER OPERATING EXPENSES AND OTHER TAXES

€'000	2022	2021
Advertising	49,328	44,082
Commissions to partners	45,743	47,845
Delivery costs	41,031	41,472
IT and communication costs	9,925	9,404
Rents, leases and expenses for premises	7,582	7,189
Other personnel expenses	4,656	5,258
Motor vehicle and travel costs	4,482	2,418
Legal and consultancy costs	3,245	3,601
Costs of monetary movements	3,006	3,094
Board	2,394	835
Insurance premiums	1,415	1,236
Expenses from currency translation	694	549
Sundry	4,258	3,316
	177,759	170,299

The remuneration for retail partners at *Jacques'* who act as agents of the *Hawesko Group* is reported under commissions to partners. The commissions to partners are offset by the rental income item within other operating income. The other personnel expenses mainly comprise costs of temporary workers and also of employee training and advancement, for example.

The sundry other operating expenses include expenses for payment reminders and debt collection as well as credit checks amounting to € 980 thousand (previous year: € 894 thousand), other taxes (€ 570 thousand, previous year: € 176 thousand) and other expenses unrelated to the accounting period (€ 483 thousand, previous year: € 304 thousand).

15. INTEREST INCOME, INTEREST EXPENSE, OTHER FINANCIAL RESULT AND INVESTMENT INCOME

€'000	2022	2021
INTEREST INCOME	282	155
Interest expense		
Interest expense from monetary movements	-752	-459
Interest for lease liabilities	-3,638	-3,634
Interest from the compounding of provisions	-20	-18
INTEREST EXPENSE	-4,410	-4,111
OTHER FINANCIAL RESULT	3,994	-1,758
RESULT FOR THE COMPANIES REPORTED USING THE EQUITY METHOD	378	903
FINANCIAL RESULT	244	-4,811
Of which:		
- loans and receivables	282	155
- financial liabilities	-1,186	-2,235

The other financial result stems mainly from the gain from the remeasurement of the shares in *Global Wines & Spirits* at fair value in the course of first-time consolidation, recognised at €4,996 thousand in the financial result, as well as from the subsequent measurement of the financial liabilities from put options for *Global Wines & Spirits* (€414 thousand). In the previous year the other financial result included the measurement of the financial liabilities from put options for *WirWinzer* (expenditure of €1,648 thousand).

16. TAXES ON INCOME

€'000	2022	2021
Current tax	10,297	14,441
Deferred tax	2,862	-426
	13,159	14,015

Paid or due taxes on income and earnings, and also deferred taxes, are reported as taxes on income.

Expenses for current tax are made up as follows:

€'000	2022	2021
Current year	9,480	14,159
Previous years	817	282
	10,297	14,441

Expenses (previous year: income) from deferred taxes is attributable to the following:

€'000	2022	2021
Capitalisation / use of loss carryforwards	-2,196	38
Other temporary differences	-730	236
Changes in tax rate	-20	3
Leases	84	149
	-2,862	426

The actual tax expense for the year 2022 of €13,159 thousand (previous year: €14,015 thousand) is €655 thousand higher (previous year: €1,335 thousand lower) than the anticipated tax expense of €12,504 thousand (previous year: €15,350 thousand) which would have resulted from the application of a tax rate to pre-tax earnings that was based on the current German legislation at the balance sheet date. The anticipated tax rate is 31.8 percent (previous year: 31.8 percent) and is obtained as follows:

in Prozent	2022	2021
Trade tax (average municipal factor: 456%, previous year: 456%)	15.98	15.96
Corporation tax	15.00	15.00
Solidarity surcharge (5.5% of corporation tax)	0.83	0.83
TOTAL TAX BURDEN ON PRE-TAX EARNINGS	31.81	31.79

The causes of the difference between the anticipated and actual tax expense for the group are as follows:

€'000	2022	2021
Earnings before taxes	39,322	48,269
Anticipated tax expense	12,504	15,350
Tax expenses/income unrelated to the accounting period	397	262
Inventory correction to tax loss carryforwards	1,099	24
Impairment (previous year: reversal) of deferred taxes on tax losses	1,021	-1,322
Tenancy and leasing commitments to be included in trade tax	327	267
Effect of divergent national tax rates	323	-203
Tax-free expenses and income	-1,918	-69
Other tax effects	-594	-294
ACTUAL TAX EXPENSE	13,159	14,015
Effective tax rate in %	33.47	29.03

Dedicated software is used for tax accounting. At the level of the individual subsidiaries, current and deferred taxes are calculated and the deferred tax assets are assessed for intrinsic value. Taking consolidation effects into account, the current and deferred taxes to be recognised on the balance sheet and in the income statement are then determined from these figures.

At the end of the year the fair values of the derivatives reported in other comprehensive income came to €385 thousand (previous year: €231 thousand). This led to a write-back of €-97 thousand in deferred tax assets in the year under review (previous year: €-67 thousand write-back). In addition, deferred tax assets totalling €352 thousand were written back (previous year: €-11 thousand) for the actuarial gains/losses of €1,266 thousand reported in other comprehensive income (previous year: €19 thousand).

17. EARNINGS PER SHARE

The earnings per share are calculated according to IAS 33 (Earnings per Share) by dividing the consolidated earnings by the average number of shares in circulation.

€'000	2022	2021
Consolidated earnings of the shareholders	25,594	33,634
Average number of shares ('000)	8,983	8,983
Basic earnings per share	2.85	3.74

At the time of preparation of the consolidated financial statements there were an unchanged 8,983,403 shares outstanding. There is no difference between the diluted and basic earnings per share.

NOTES TO THE CONSOLIDATED BALANCE SHEET

18. INTANGIBLE ASSETS

INTANGIBLE ASSETS			
€'000	<i>Software and licences</i>	<i>Other intangible assets</i>	<i>Goodwill</i>
HISTORICAL COST			
POSITION AT 1 JANUARY 2021	39,102	29,789	30,604
Currency translation	-	14	60
Disposal from group of consolidated companies	-	-	-
Additions	529	907	-
Transfers	-196	2,004	-
Disposals	-18	-237	-
POSITION AT 31 DECEMBER 2021	39,417	32,477	30,664
POSITION AT 1 JANUARY 2022	39,417	32,477	30,664
Currency translation	-	209	131
Addition to group of consolidated companies	8	6,757	7,214
Disposal from group of consolidated companies	-	-	-615
Additions	712	2,507	-
Transfers	1,356	281	-
Disposals	-125	-	-
POSITION AT 31 DECEMBER 2022	41,368	42,231	37,394
ACCUMULATED DEPRECIATION AND AMORTISATION			
POSITION AT 1 JANUARY 2021	-31,418	-12,717	-3,896
Currency translation	-	-12	-
Disposal from group of consolidated companies	-	-	-
Additions	-2,356	-2,483	-
Impairment/ write-ups	-393	-	-
Transfers	-193	211	-
Disposals	20	234	-
POSITION AT 31 DECEMBER 2021	-34,340	-14,767	-3,896
POSITION AT 1 JANUARY 2022	-34,340	-14,767	-3,896
Currency translation	-	-14	-
Disposal from group of consolidated companies	-	-	615
Additions	-2,019	-3,069	-
Impairment/ write-ups	45	-	-
Transfers	146	-146	-
Disposals	125	-	-
POSITION AT 31 DECEMBER 2022	-36,043	-17,996	-3,281
RESIDUAL CARRYING AMOUNT			
POSITION AT 31/12/2022	5,325	24,235	34,113
POSITION AT 31/12/2021	5,077	17,710	26,768

<i>Advance payments for intangible assets</i>	<i>Total</i>
1,976	101,471
-	74
-	-
2,192	3,628
-2,135	-327
-276	-531
1,757	104,315
1,757	104,315
-	340
-	13,979
-	-615
1,910	5,129
-1,637	-
-30	-155
2,000	122,993
-	-48,031
-	-12
-	-
-	-4,839
-132	-525
-	18
165	419
33	-52,970
33	-52,970
-	-14
-	615
-	-5,088
-	45
-	-
-	125
33	-57,287
2,033	65,706
1,790	51,345

The item “Other intangible assets” includes € 18,767 thousand (previous year: € 14,192 thousand) for the measurement of supplier and customer contacts as well as brands. As in the previous year, these result from the first-time consolidation of *Vinos*, *WirWinzer*, *WeinArt*, *Grand Cru Select* and *Wein & Co*. In the financial year this item also includes the measurement of customer contacts and brands from the first-time consolidation of *Global Wines & Spirits* (corresponding to € 4,099 thousand and € 2,556 thousand). A useful life of 17 or between five and 17 years is recorded for the supplier and customer contacts, and of ten or 20 years for the brands.

Furthermore, “Other intangible assets” includes internally produced assets in the amount of € 4,725 thousand (previous year: € 3,133 thousand). The development is presented in the following table:

€'000	31/12/2022	31/12/2021
HISTORICAL COST		
Position at start of financial year	4,043	2,100
Additions	2,040	1,527
Disposals	-	1
Transfers	-	415
POSITION AT END OF FINANCIAL YEAR	6,083	4,043
ACCUMULATED DEPRECIATION AND AMORTISATION		
Position at start of financial year	-910	-191
Additions	-451	-719
Disposals	-	-
Transfers	-	-
POSITION AT END OF FINANCIAL YEAR	-1,361	-910
RESIDUAL CARRYING AMOUNT	4,722	3,133

19. RECOVERABILITY OF GOODWILL

The following table provides an overview of the goodwill tested and the assumptions made in the individual impairment tests, in each case for the smallest cash-generating unit (CGU):

NAME OF CGU	<i>Wein & Vinos</i>	<i>Wein & Co.</i>	<i>Wein Wolf Group</i>	<i>WirWinzer</i>	<i>Global Wines & Spirits</i>	<i>Miscellaneous</i>
	e-commerce	Retail	B2B	e-commerce	B2B	B2B and Retail
Carrying amount goodwill 31/12/2022	8,711	8,197	4,455	2,686	7,278	2,787
Write-down	-	-	-	-	-	-
Duration of planning period (as previous year; GWSP in previous year: n/a)	3 years	4 years	3 years	3 years	3 years	3 years
Sustainable growth rate per year after end of planning period (as previous year; GWSP in previous year: n/a)	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Discount rate (after-tax interest rate) 2022	7.32%	7.32%	7.32%	7.32%	8.69%	7.32%
Discount rate (after-tax interest rate) 2021	5.32%	5.32%	5.32%	5.32%	n/a	5.32%

For purposes of testing for impairment, the carrying amount of the cash-generating unit is compared with its recoverable amount. The recoverable amount is generally determined as the fair value less costs of disposal (FVLCO) based on the future discounted cash flows. At *Global Wines & Spirits*, the value in use (VIU) was determined to check the recoverable amount. The measurement is treated as Level 3 in the fair value hierarchy because of the non-observable inputs applied in measurement. The management approach and the key assumptions in determining the FVLCO and VIU for the cash-generating unit are based essentially on the future cash flows anticipated in group planning over the next three or four years, depending on company, and discounted at the balance sheet date. The key parameters here are the discount rate, the net cash flows (sales performance, customer acquisition and retention costs, investments) and the

sustainable growth rate. Rising net cash flows are fundamentally assumed over the detailed planning period.

In the planning period, the assumptions used for the impairment tests are based on approved corporate planning (at the level of the individual enterprises) and on externally published sources. To some extent risk markdowns have been applied for company-specific market share developments. The margins used are based on past experience and future expectations, and have been updated based on cost-cutting measures implemented. Investment ratios are based on past experience and for the planning period take account of replacement purchases envisaged for production facilities. The costs of the corporate functions were allocated to the individual units according to the user-pays principle. The rights of use to be capitalised according to IFRS 16 were included in the tests.

When determining the weighted cost of capital, the additional debt from the lease liabilities to be recognised according to IFRS 16 was also taken into account.

No conceivable changes to the key parameters would lead to impairment.

20. PROPERTY, PLANT AND EQUIPMENT, AND RIGHTS OF USE

PROPERTY, PLANT AND EQUIPMENT €'000	<i>Land, equivalent rights and buildings, including buildings on third-party land</i>	<i>Technical equipment and machinery</i>
HISTORICAL COST		
POSITION AT 1 JANUARY 2021	162,628	1,942
Disposal from group of consolidated companies	-	-
Currency translation	50	16
Additions	18,664	1,226
Transfers	109	-
Disposals	-2,058	-487
POSITION AT 31 DECEMBER 2021	179,393	2,697
POSITION AT 1 JANUARY 2022	179,393	2,697
Addition to group of consolidated companies	1,812	-
Currency translation	95	14
Additions	12,890	1,002
Transfers	296	-
Disposals	-7,909	-699
POSITION AT 31 DECEMBER 2022	186,577	3,014
ACCUMULATED DEPRECIATION AND AMORTISATION		
POSITION AT 1 JANUARY 2021	-43,387	-263
Disposal from group of consolidated companies	-	-
Currency translation	-21	-7
Additions	-12,499	-975
Transfers	0	0
Disposals	1,780	420
POSITION AT 31 DECEMBER 2021	-54,127	-825
POSITION AT 1 JANUARY 2022	-54,127	-825
Disposal from group of consolidated companies	-	-
Currency translation	-30	-8
Additions	-13,265	-1,026
Transfers	-	-
Disposals	4,448	627
POSITION AT 31 DECEMBER 2022	-62,974	-1,232
RESIDUAL CARRYING AMOUNT		
POSITION AT 31 DECEMBER 2022	123,603	1,782
POSITION AT 31 DECEMBER 2021	125,266	1,872

<i>Other fixtures and fittings, tools and equipment</i>	<i>Advance payments and construction in progress</i>	<i>Total</i>
42,715	130	207,415
-	-	-
38	-	104
3,079	911	23,880
682	-788	3
-1,471	-	-4,016
45,043	253	227,386
45,043	253	227,386
150	-	1,962
50	-	159
3,258	7,737	24,887
240	-536	-
-1,623	-	-10,231
47,118	7,454	244,163
-33,673	-	-77,323
-	-	-
-26	-	-54
-3,290	-	-16,764
-3	-	-3
1,405	-	3,605
-35,587	-	-90,539
-35,587	-	-90,539
-	-	-
-37	-	-75
-3,351	-53	-17,695
-	-	-
1,576	-	6,651
-37,399	-53	-101,658
9,719	7,401	142,505
9,456	253	136,847

Property, plant and equipment developed as follows:

€'000	31/12/2022	31/12/2021
Land and buildings	4,468	4,425
Technical equipment and machinery	18	22
Other fixtures and fittings, tools and equipment	9,401	9,080
Construction in progress	7,401	253
	21,288	13,780

Rights of use developed as follows:

€'000	31/12/2022	31/12/2021
Land and buildings	119,136	120,841
Technical equipment and machinery	1,764	1,849
Other fixtures and fittings, tools and equipment	317	377
	121,217	123,067

The additions to the rights of use during financial year 2022 amounted to €13,870 thousand (previous year: €19,710 thousand).

21. COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Following the purchase of 47.5 percent of the shares of *Global Wines & Spirits*, *Hawesko Holding* holds no “Companies accounted for using the equity method”. Under IFRS 11, *Global Wines & Spirits s.r.o.* was classified as a joint venture until June 2022 because the shareholders exercised control jointly. The company was accordingly accounted for using the equity method and reported under the balance sheet item “Companies accounted for using the equity method”:

	30/06/2022	31/12/2021
Carrying amount €'000	4,004	4,058
Share of capital in %	47.5	47.5

Global Wines & Spirits comes under the B2B segment and is a partner for the sale of wines in the Czech Republic. The following tables show the aggregated key figures for 2021 for the joint venture included in the consolidated financial statements as a company accounted for using the equity method (100 percent, instead of pro rata 47.5 percent).

COMBINED BALANCE SHEET €'000	31/12/2022	31/12/2021
- Cash and cash equivalents	-	3,203
- Other current assets	-	6,841
Total current assets	-	10,044
Non-current assets	-	177
Short-term provisions and liabilities	-	4,564
NET ASSETS	-	5,657

Distributions of € 444 thousand (previous year: € 1,131 thousand) were received in the year under review.

COMBINED STATEMENT OF COMPREHENSIVE INCOME €'000	30/06/2022	31/12/2021
Sales revenues	8,212	22,276
Other operating income	90	202
Cost of materials	-6,527	-17,945
Personnel expenses	-833	-1,891
Depreciation and amortisation	-49	-120
Other operating expenses	-99	-141
OPERATING RESULT	794	2,381
Interest income	24	6
Interest expense	-21	-32
RESULT FROM ORDINARY ACTIVITIES	797	2,356
Taxes on income	-	-454
NET INCOME / COMPREHENSIVE INCOME	797	1,902

The group realised sales revenues in the amount of € 269 thousand (previous year: € 744 thousand) with *Global Wines & Spirits s.r.o.* in the first half of the year under review.

Reconciliation of the summary financial information as presented with the carrying amount of the investment in the prior-year consolidated financial statements:

€'000	2022	2021
Opening balance net assets (01/01)	-	5,811
Result for the period	-	1,902
Other comprehensive income	-	324
Dividends paid	-	-2,380
CLOSING BALANCE NET ASSETS (31/12)	-	5,657
Group share (%)	0.0%	47.5%
Group share (€'000)	-	2,687
Goodwill	-	1,371
CARRYING AMOUNT	-	4,058

22. DEFERRED TAX ASSETS

The deferred tax assets developed as follows:

€'000	31/12/2022	31/12/2021
Opening balance	5,931	8,002
Cancellation of offsetting, previous year	42,409	37,801
Increase	452	2,952
Decrease	-4,976	-415
Offsetting against deferred tax liabilities, current year	-39,318	-42,409
	4,498	5,931

The deferred tax assets are in respect of the following temporary differences as well as tax loss carryforwards:

€'000	31/12/2022	31/12/2021
Goodwill from restructuring measures with an effect on taxes	1,729	2,277
From loss carryforwards	597	2,793
From the fair value measurement of derivative financial instruments	3	25
From leases	40,323	41,077
From inventories	34	64
From provisions	294	1,720
Miscellaneous	836	384
Offsetting	-39,318	-42,409
Change in tax rate	-	-
	4,498	5,931

The reported deferred taxes on loss carryforwards at 31 December 2022 relate to the tax loss carryforwards available for future use of the subsidiaries *Wein & Co.* and *IWL*.

There are unused, temporally unlimited tax loss carryforwards amounting to €4,577 thousand (previous year: €6,006 thousand), for which no deferred tax assets were reported in the balance sheet.

A sum of €3,884 thousand will prospectively be realised from the deferred tax assets within twelve months.

23. INVENTORIES AND ADVANCE PAYMENTS FOR INVENTORIES

€'000	31/12/2022	31/12/2021
Raw material and consumables used	688	483
Merchandise	113,297	110,362
TOTAL INVENTORIES	113,985	110,845
Advance payments for inventories	14,254	12,715
TOTAL INVENTORIES AND ADVANCE PAYMENTS FOR INVENTORIES	128,239	123,560
- of which with a maturity of up to one year	125,903	117,577
- of which with a maturity of one to five years	2,336	5,983

Impairment on inventories in the amount of €458 thousand (previous year: €472 thousand) was recognised as an expense.

The advance payments relate to wines of earlier vintages which are not delivered until subsequent years ("subscriptions"). These advance payments are not impaired because they are covered almost entirely by bank guarantees.

24. FINANCIAL ASSETS

The group holds the following financial assets:

€'000	31/12/2022			31/12/2021		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Trade receivables	48,948	-	48,948	46,443	-	46,443
Other financial assets	3,464	4,696	8,160	7,822	4,275	12,097
Cash and cash equivalents	30,459	-	30,459	52,861	-	52,861
TOTAL:	82,872	4,696	87,567	107,126	4,275	111,401

The financial assets are measured as follows:

€'000	31/12/2022			31/12/2021		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Trade receivables	48,948	-	48,948	46,443	-	46,443
Other financial assets	3,369	4,431	7,800	7,801	4,212	12,013
Cash and cash equivalents	30,459	-	30,459	52,861	-	52,861
FINANCIAL ASSETS MEASURED AT AMORTISED COST	82,776	4,431	87,207	107,104	4,212	111,316
OTHER FINANCIAL ASSETS	-	45	45	-	63	63
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	-	45	45	-	63	63
OTHER FINANCIAL ASSETS	59	-	59	21	-	21
FORWARD EXCHANGE TRANSACTIONS WITHOUT HEDGING RELATIONSHIP MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	59	-	59	21	-	21
OTHER FINANCIAL ASSETS	36	220	256	-	-	-
INTEREST RATE DERIVATIVES WITH HEDGING RELATIONSHIP	36	220	256	-	-	-
	82,872	4,696	87,567	107,126	4,275	111,401

Derivatives are used exclusively for economic hedging purposes, and not as a speculative investment. However if derivatives do not meet the criteria for hedge accounting, for purposes of accounting they are classified as “held for trading” and recognised at fair value through profit or loss. To that extent they are shown as current assets in that they will prospectively be settled within twelve months of the end of the reporting period.

Trade receivables

In view of the short-term nature of the receivables, their carrying amount corresponds to the fair value.

€'000	31/12/2022	31/12/2021
Receivables from contracts with customers	49,652	47,258
Impairment	-704	-815
TRADE RECEIVABLES	48,948	46,443
- of which with a maturity of up to one year	48,948	46,443

The following table shows the maturity structure of trade receivables at the 2022 reporting date:

IMPAIRMENT MATRIX FOR TRADE RECEIVABLES (2022) €'000	<i>Not overdue or overdue by 1 to 90 days</i>	<i>Overdue by more than 90 days</i>	<i>Overdue by more than 360 days</i>	<i>Total</i>
B2C RECEIVABLES				
Default rate (% , calculated from net values)	0.5%	54.0%	100%	
Gross figures for trade receivables in €thousand	5,892	86	154	6,132
Expected loss in €thousand	-24	-71	-121	-216
B2B RECEIVABLES				
Default rate (% , calculated from net values)	0.2%	50.0%	100%	
Gross figures for trade receivables in €thousand	9,009	78	80	9,167
Expected loss in €thousand	-12	-46	-72	-130
SETTLING AGENTS, ASSOCIATIONS, WINEMAKERS				
Default rate (% , calculated from net values)	0.05%	10.0%	100%	
Gross figures for trade receivables in €thousand	21,432	30	48	21,510
Expected loss in €thousand	-9	-3	-40	-52
RECEIVABLES INSURED AGAINST DEFAULT				
Default rate (% , calculated from net values)	0.1%	15.0%	15.0%	
Gross figures for trade receivables in €thousand	7,939	68	49	8,056
Expected loss in €thousand	-7	-9	-6	-22
Total receivables of group	44,272	262	331	44,865
Total expected defaults	-52	-129	-239	-420

The following table shows the maturity structure of trade receivables at the 2021 reporting date:

IMPAIRMENT MATRIX FOR TRADE RECEIVABLES (2021) €'000	<i>Not overdue or overdue by 1 to 90 days</i>	<i>Overdue by more than 90 days</i>	<i>Overdue by more than 360 days</i>	<i>Total</i>
B2C RECEIVABLES				
Default rate (% , calculated from net values)	0.5%	54.0%	100%	
Gross figures for trade receivables in € thousand	9,814	95	170	10,079
Expected loss in € thousand	-41	-81	-140	-262
B2B RECEIVABLES				
Default rate (% , calculated from net values)	0.1%	50.0%	100%	
Gross figures for trade receivables in € thousand	5,977	50	174	6,201
Expected loss in € thousand	-5	-24	-98	-127
SETTLING AGENTS, ASSOCIATIONS, WINEMAKERS				
Default rate (% , calculated from net values)	0.05%	10.0%	100%	
Gross figures for trade receivables in € thousand	20,337	147	98	20,582
Expected loss in € thousand	-9	-10	-62	-81
RECEIVABLES INSURED AGAINST DEFAULT				
Default rate (% , calculated from net values)	0.1%	15.0%	15.0%	
Gross figures for trade receivables in € thousand	5,841	49	30	5,920
Expected loss in € thousand	-5	-6	-6	-17
Total receivables of group	41,969	341	472	42,782
Total expected defaults	-60	-121	-306	-487

The simplified impairment model is applied based on past data. For the determination of impairment, customer groups were divided up by business model and anticipated creditworthiness. B2C receivables from consumers/end customers exist primarily in the e-commerce and Retail segments. B2B receivables are from trade customers, above all in the restaurant, hotel and specialist retail trade. For sales to food retailers, the various different customers are often billed centrally via settling agents. To reflect creditworthiness and the payment structure, the latter and the supplier receivables are measured separately.

For certain trade receivables, specifically in the B2B segment, the *Hawesko Group* takes out bad debt insurance to which it can have recourse in the event of non-payment by the counterparty in accordance with the contractual arrangements.

For certain customer transactions the *Hawesko Group* uses factoring of receivables from customers. This exclusively takes the form of genuine factoring where the risk passes to the factor. The total volume in 2022 was around € 1.5 million. At 31 December 2022 there were outstanding receivables of € 400 thousand where factoring was used.

There are additionally receivables from payment service providers in the amount of € 4,787 thousand (previous year: € 4,475 thousand). Based on experience and the expected future development, the need for impairment is assessed as insignificant. No impairment is therefore applied.

In determining expected credit losses, both allowances and specific risk provisioning amounting to € 320 thousand (previous year: € 328 thousand) were applied.

The expected loss rates are based on the payment profiles for sales over a period of 36 months before 31 December 2022 and the corresponding historical defaults in that period. The historical loss ratios are adjusted to reflect current and forward-looking information on the macroeconomic factors that govern customers' ability to settle the receivables.

In respect of the trade receivables that were not yet overdue, there is no evidence at the reporting date that the debtors will not meet their payment commitments. No impairment is applied to these receivables because they are assessed as insignificant. There was no renegotiation with debtors on the extending of payment deadlines.

The impairment on trade receivables developed as follows:

€ '000	2022	2021
IMPAIRMENT AT 1 JANUARY	815	979
Allocated	248	547
Drawn	-403	-635
Liquidated	-51	-76
Addition to group of consolidated companies	95	-
IMPAIRMENT AT 31 DECEMBER	704	815

Trade receivables are derecognised if it is a fair assessment that they will no longer be realised. Indicators that receivables can no longer be realised based on a fair assessment include the failure of end customers to make contractual payments for a period of more than one year, for example, in the absence of judicial default action.

Impairment losses on trade receivables are shown in the operating result as impairment losses. Amounts previously written off and realised in subsequent periods are captured under the same item.

Other financial assets

Other financial assets measured at amortised cost comprise the following items:

€'000	31/12/2022			31/12/2021		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Loans and purchase price deferrals	57	3,220	3,277	57	3,094	3,151
Financial assets held as investments	-	-	-	4,925	-	4,925
Creditors with debit accounts	2,180	-	2,180	1,246	-	1,246
Receivables from trade representatives	129	307	436	135	272	407
Rent deposits	96	653	749	1	682	683
Sundry	907	251	1,158	1,437	164	1,601
	3,369	4,431	7,800	7,801	4,212	12,013

The remaining other financial assets were not overdue and only minor non-payment risks are expected at the reporting date. The general approach of IFRS 9 is applied for other financial assets. Because there have been no material payment defaults within other financial assets in the past and the *Hawesko Group* does not expect these to occur within future payment series, no allowances for impairment were created.

In view of the short-term nature of the other receivables, their carrying amount corresponds to the fair value. Within the long-term receivables, the fair values equally do not differ significantly from the carrying amounts. The fair value of financial instruments measured at amortised cost used for reconciliation purposes is determined by discounting based on a market rate that is appropriate for the risk and with a matching maturity.

The loans and purchase price deferrals at 31 December 2022 essentially comprise the receivable from the purchase price payment from the sale of the shares in the company Ziegler, which has not yet accrued at the balance sheet date and according to plan will accrue in 2027.

In the previous year the financial assets held as investments particularly included other investments taken out for liquidity management purposes.

Other non-financial assets

At the balance sheet date there are other non-financial assets amounting to €5,174 thousand (previous year: €4,403 thousand) mainly in respect of deferred costs and advance payments, and measured at amortised cost.

NON-FINANCIAL ASSETS €'000	31/12/2022	31/12/2021
Advance payments of costs	3,308	3,127
Accounts receivable from taxes on income	1,385	683
Other tax refund claims	449	532
Other non-financial assets	32	61
TOTAL:	5,174	4,403

25. CASH AND CASH EQUIVALENTS

Cash in banking accounts and cash on hand totalling €30,459 thousand (previous year: €52,861 thousand) relates substantially to balances with banks.

The cash and cash equivalents mentioned above and contained in the cash flow statement include €1,509 thousand (previous year: €1,649 thousand) held by *Wein & Co*. These deposits are subject to local regulatory restrictions and are therefore not available for general use by other group companies.

26. SUBSCRIBED CAPITAL OF HAWESKO HOLDING SE

The subscribed capital of *Hawesko Holding SE* amounts to €13,708,934.14 (previous year: €13,708,934.14) and is divided into 8,983,403 (previous year: 8,983,403) no par value bearer shares each carrying dividend and voting rights. The capital is fully paid up.

At 31 December 2022 no treasury shares are held, as in the previous year.

A dividend of €1.90 (previous year: €1.60) plus a special dividend of €0.60 per share (previous year: €0.40) was paid in the financial year, with a total amount distributed of €22,459 thousand (previous year: €17,967 thousand).

Authorised capital

The Board of Management is authorised to increase the capital stock of the company on one or more occasions by no more than €6,850,000.00 up until 13 June 2027, with the consent of the Supervisory Board, through the issuance of new no par value bearer shares against contributions in cash or kind (Authorised Capital 2022), specifying a profit participation start date that departs from the statutory provisions, pursuant to Article 4 (3) of the articles of incorporation.

The shareholders shall fundamentally have a right to subscribe. The new shares may also be taken on by one or more banks to be determined by the Board of Management or by a consortium of banks with the obligation to offer them to the shareholders for subscription (indirect subscription right).

With the consent of the Supervisory Board, the Board of Management is moreover authorised to exclude the subscription right of the shareholders on one or more occasions

- a) to the extent that is necessary to eliminate residual amounts;
- b) to the extent that is necessary to grant the bearers of warrant or conversion rights or conversion obligations from bonds or participation rights with conversion rights and/or warrants or a conversion obligation a right to subscribe to new shares to the same extent they would be entitled to following exercising of the warrant or conversion right or following fulfilment of the conversion obligation,
- c) to the extent that the new shares are issued for cash and the theoretical capital stock for the shares issued does not exceed a total of ten percent of the capital stock either at the time of this authorisation taking effect or at the time of its exercising (“cap”) and the issuing price of the new shares to be issued does not significantly undercut the market price for already-quoted shares of the company with the same features at the time the issuing price is finally determined,
- d) to the extent that the new shares are issued for contributions in kind, especially in the form of businesses, business units, participating interests or receivables or other assets (such as patents, licences, copyrights and rights of exploitation as well as other intellectual property rights),

Shares that (i) are issued or sold by the company during the term of this authorisation, excluding the subscription right based on other authorisations in direct or analogous application of Section 186 (3) fourth sentence of the German Stock Corporation Act, or (ii) are issued or to be issued to service bonds or participation rights with conversion rights and/or warrants or a conversion obligation, to the extent that the bonds or participation rights are issued during the term of this authorisation, excluding the

subscription right in analogous application of Section 186 (3) fourth sentence of the German Stock Corporation Act, are to be recognised for purposes of the cap according to letter c) above. Recognition according to the previous sentence as a result of the exercising of authorisations (i) to issue new shares pursuant to Section 203 (1) first sentence, (2) first sentence, Section 186 (3) fourth sentence of the German Stock Corporation Act and/or (ii) to sell treasury shares pursuant to Section 71 (1) No. 8, Section 186 (3) fourth sentence of the German Stock Corporation Act and/or (iii) to issue convertible and/or bonds with warrants pursuant to Section 221 (4) second sentence, Section 186 (3) fourth sentence of the German Stock Corporation Act, shall cease to apply with future effect if and to the extent that the respective authorisation(s), the exercising of which triggered recognition, is or are reissued by the Shareholders’ Meeting subject to the statutory provisions.

The Board of Management is moreover authorised to specify the further content of the rights carried by the shares, the details of the capital increase as well as the conditions of the share issue, in specific the issue value, with the approval of the Supervisory Board.

The Supervisory Board is authorised to amend the wording of Articles 4 (1) and 5 of the articles of incorporation in line with the applicable utilisation of authorised capital 2012 as well as after expiry of the authorisation period.

The authorised capital at 31 December 2022 amounts to € 6,850,000.00 (previous year: € 6,850,000.00).

27. CAPITAL RESERVE

€'000	31/12/2022	31/12/2021
Capital reserve	10,061	10,061

The capital reserve for the group essentially comprises the premium from the capital increase and the issuance of shares to employees in 1998, as well as from the issuance of and premium on subscription shares from the convertible bond issued in 2001 and from a capital increase for contribution in kind in 2010.

28. RETAINED EARNINGS

€'000	31/12/2022	31/12/2021
Retained earnings	106,045	106,665

The retained earnings essentially comprise undistributed earnings from previous years, the consolidated earnings for the financial year and the adjustments to earnings resulting from the changeover to IFRS and from the first-time adoption of new IFRS standards. The distributable profit results from the commercial accounts of *Hawesko Holding SE* and totals €24,438 thousand (previous year: €31,452 thousand).

The Board of Management will propose to the Annual General Meeting that the unappropriated profit for the year be appropriated as follows:

Payment of a regular dividend of €1.90 per no par value share on the capital stock of €13,709 thousand, corresponding to a distributed amount of €17,068 thousand.

The changes in value of the put option for *WirWinzer* and for *Global Wines & Spirits* are shown under the other financial result. First-time adoption of IFRS 16 in 2019 reduced the retained earnings by €5,133 thousand.

The individual components of the equity and its development in the years 2021 and 2022 are shown in the consolidated statement of movements in equity.

29. OTHER RESERVES

Other reserves totalling €1,666 thousand (previous year: €98 thousand) include translation differences from the translation of the functional currency of foreign group companies, the revaluation component from the retirement obligation and the reserve for the cash flow hedges. These are reported in the consolidated financial statements directly under other comprehensive income. No taxes on income are due on the translation differences of €-366 thousand (previous year: €-309 thousand).

The revaluation component for provisions for pensions and other long-term provisions for pensions includes changes in value of €1,266 thousand in the year under review (previous year: €19 thousand), less deferred taxes of €-352 thousand (previous year: €-11 thousand). In addition, the fair values of the derivatives in the amount of €385 thousand (previous year: €231 thousand) were recognised in other comprehensive income in the year under review. In connection with this, deferred tax assets of €-97 thousand (previous year: €-67 thousand) were reversed.

30. NON-CONTROLLING INTERESTS

The non-controlling interests in the consolidated balance sheet relate to minority interests in the equity and net earnings of the group companies that are consolidated in full (see the details of the group of

consolidated companies). In the following, combined financial information is provided for each subsidiary with a non-controlling interest that is material for the group. The amounts stated in the following are the amounts before consolidation with group companies.

COMBINED BALANCE SHEET €'000	WirWinzer GmbH		Globalwine AG	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Non-current assets	5,175	5,562	2,890	2,810
Current assets	5,695	4,184	9,188	9,188
ASSETS	10,870	9,746	12,078	11,998
Equity	7,333	6,304	3,602	3,532
Long-term provisions and liabilities	906	656	692	682
Short-term provisions and liabilities	2,631	2,786	7,784	7,784
EQUITY AND LIABILITIES	10,869	9,746	12,078	11,998
ACCUMULATED NON-CONTROLLING INTERESTS	-	557	153	134

COMBINED STATEMENT OF COMPREHENSIVE INCOME €'000	WirWinzer GmbH		Globalwine AG	
	2022	2021	2022	2021
Total sales	10,292	10,521	21,076	19,757
Earnings before taxes	1,535	1,942	1,156	1,229
Taxes on income	-505	-667	-189	-319
NET INCOME = COMPREHENSIVE INCOME	1,030	1,275	967	910
Profit due to controlling interests	92	330	48	46
Dividends paid to holders of non-controlling interests	-	-	-	-

€'000	WirWinzer GmbH		Globalwine AG	
	2022	2021	2022	2021
Net inflow of payments from current operations	-42	22	1,745	78
Net funds employed for investing activities	-14	-10	-376	396
Outflow/inflow of net funds from financing activities	-44	-39	-343	-313
NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS	-99	-27	1,026	161
Effects of changes on cash and cash equivalents (up to 3 months to maturity)	-	-	104	113
Funds at start of period	242	269	1,532	2,388
Funds at end of period	143	242	2,662	2,662

COMBINED BALANCE SHEET €'000	<i>Weinart Handelsgesellschaft mbH</i>		<i>Global Wines & Spirits s.r.o.</i>	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Non-current assets	1.382	1.593	16.114	-
Current assets	7.865	7.039	10.583	-
ASSETS	9.247	8.632	26.697	-
Equity	4.635	3.951	17.979	-
Long-term provisions and liabilities	278	298	2.927	-
Short-term provisions and liabilities	4.334	4.383	5.792	-
EQUITY AND LIABILITIES	9.247	8.632	26.698	-
ACCUMULATED NON-CONTROLLING INTERESTS	1.803	1.468	2.132	-

COMBINED STATEMENT OF COMPREHENSIVE INCOME €'000	<i>Weinart Handelsgesellschaft mbH</i>		<i>Global Wines & Spirits s.r.o.</i>	
	2022	2021	2022	2021
Total sales	6.728	6.411	15.068	-
Earnings before taxes	960	700	1.527	-
Taxes on income	-276	-176	-290	-
NET INCOME = COMPREHENSIVE INCOME	684	524	1.237	-
Profit due to controlling interests	335	257	93	-
Dividends paid to holders of non-controlling interests	-	-	-	-

€'000	<i>Weinart Handelsgesellschaft mbH</i>		<i>Global Wines & Spirits s.r.o.</i>	
	2022	2021	2022	2021
Net inflow of payments from current operations	1.955	-197	2.337	-
Net funds employed for investing activities	-13	-37	2.564	-
Outflow/inflow of net funds from financing activities	-1.666	276	-2.218	-
NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS	275	42	2.683	-
Effects of changes on cash and cash equivalents (up to 3 months to maturity)	-	-	49	-
Funds at start of period	84	42	-	-
Funds at end of period	359	84	2.732	-

31. PROVISIONS FOR PENSIONS

For old-age pension purposes, seven (previous year: seven) retired employees of the subsidiary *Jacques'* have an entitlement to supplementary retirement pay. A life-long retirement pension or disability pension and a pension for surviving dependants or orphans are granted. Also the employees of the company *Globalwein AG* in Switzerland have a statutory entitlement to retirement pay, which from 2022 is classified as a defined benefit plan. In agreement with IAS 19, the total provision reported at the balance sheet date was calculated by an independent actuary according to the present value of an expectancy, taking account of the assets available to meet these obligations (plan assets). The present value of retirement benefit obligations developed as follows in the year under review:

€'000	2022	2021
PRESENT VALUE OF RETIREMENT BENEFIT OBLIGATIONS AT 1 JAN	1,056	1,097
Adjustment 01/01 for immaterial error	638	-
Current service cost	71	-
Interest expense	11	9
Actuarial losses (+) / gains (-)	-1,037	11
Payments made	-61	-61
Present value of cover assets	78	-
PRESENT VALUE OF RETIREMENT BENEFIT OBLIGATIONS AT 31 DEC	756	1,056

The retirement benefit obligations of the company *Globalwein AG* are zero at 31 December 2022. The value of the cover assets is €78 thousand.

The basic assumptions made in calculating the provisions for pensions are given below:

%	2022	2021
Discounting rate	4.12	0.94
Pensions trend	1.0	1.0

The calculations use the basic biometric data (probability values for death and invalidity) according to the 2018 G (previous year: 2018 G) reference tables by Dr. Klaus Heubeck.

Outpayments of €61 thousand (previous year: €61 thousand) are expected for 2022.

A change in the actuarial interest rate of +50/-50 base points at 31 December 2022 assuming other factors remained constant would have had the following effect on the present value of the retirement benefit obligations:

€'000	-50 base points	31/12/2022	+50 base points
Present value of retirement benefit obligations	789	756	725

The average term of the defined benefit obligation is nine years (previous year: eleven years).

32. PROVISIONS FOR SEVERANCE PAYMENTS

To meet local statutory requirements, provisions for severance payments were created for some employees of *Wein & Co.* and *Wein Wolf Austria*. The total provision reported at the balance sheet date was calculated by an independent actuary according to the present value of an expectancy, in agreement with IAS 19. The present value of severance payment obligations developed as follows in the year under review:

€'000	2022	2021
PRESENT VALUE OF SEVERANCE PAYMENT OBLIGATIONS AT 1 JAN	820	770
Current service cost	9	61
Interest expense	8	4
Actuarial losses (+) / gains (-)	-101	-15
PRESENT VALUE OF SEVERANCE PAYMENT OBLIGATIONS AT 31 DEC	736	820

The basic assumptions made in calculating the provisions for severance payments are given below:

%	2022	2021
Discounting rate	4.15	1.04
Salary trend	3.0	2.7

The calculations use the basic biometric data (probability values for death and invalidity) according to the AVÖ-2018-P (AVÖ-2018-P) life tables of the Austrian Association of Actuaries (AVÖ).

A change in the actuarial interest rate of +100/-100 base points at 31 December 2022 assuming other factors remained constant would have had the following effect on the present value of the severance payment obligations:

€'000	2022	2021
Increase in actuarial interest rate of 100 base points	682	718
Decrease in actuarial interest rate of 100 base points	798	883
Increase in salary trend of 50 base points	766	836
Decrease in salary trend of 50 base points	708	756

The average term of the defined benefit obligation is 12 years (previous year: 13 years).

The provisions for severance payments are reported under other long-term provisions.

33. OTHER PROVISIONS

€'000	01/01/2022	Drawn	Transferred	Allocated	31/12/2022
LONG-TERM:					
Other provisions for personnel	702	-114	-	256	844
Provisions for reconversion obligations	160	-	-	1	161
SHORT-TERM:					
Provisions for reconversion obligations	200	-200	-	-	-
Other provisions	201	-1	-	-	200
Restructuring obligations	-	-	-	-	-
TOTAL	1,263	-315	-	257	1,205

The provisions for personnel in the main comprise anniversary and partial retirement obligations as well as restructuring costs.

The partial retirement obligations, which come under long-term provisions, are measured on the basis of actuarial calculations according to the block model, taking account of the 2018 G (previous year: 2018 G) reference tables by Dr. Klaus Heubeck. The actuarial interest rate is 3.95 percent (previous year: 0.4 percent). Based on the probable development in the key

measurement factors, a salary trend of 3.0 percent (previous year: 2.5 percent) was assumed.

In 2022, the provisions for personnel increased by €80 thousand as a result of new contracts and the compounding of partial retirement obligations (previous year: €21 thousand).

The other provisions mainly consist of costs for litigation and liability risks.

34. LIABILITIES

The group holds the following financial liabilities:

€'000	31/12/2022			31/12/2021		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Borrowings	11,976	12,013	23,989	12,325	6,803	19,128
Lease liabilities	13,424	118,569	131,993	13,005	120,488	133,493
Trade payables	62,339	-	62,339	67,895	-	67,895
Other financial liabilities	13,561	9	13,570	17,463	110	17,573
TOTAL:	101,300	130,591	231,891	110,688	127,401	238,089

€'000	31/12/2022			31/12/2021		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Borrowings	11,976	12,013	23,989	12,325	6,803	19,128
Lease liabilities	13,424	118,569	131,993	13,005	120,488	133,493
Trade payables	62,339	-	62,339	67,895	-	67,895
Other financial liabilities	13,561	1	13,562	17,463	11	17,474
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	87,876	12,014	99,890	97,683	6,814	104,497
Other financial liabilities	-	8	8	-	99	99
INTEREST RATE DERIVATIVES WITH HEDGING RELATIONSHIP	-	8	8	-	99	99
	101,300	130,591	231,891	110,688	127,401	238,089

The trade payables largely comprise liabilities to winemakers and wine traders.

35. BORROWINGS

€'000	31/12/2022	31/12/2021
Banks	23,989	19,128
Of which with a maturity of		
- up to 1 year	11,976	12,325
- 1 to 5 years	11,472	6,262
- over 5 years	541	541

The *Hawesko Group* has secured credit facilities as indicated in the following table, to enable it to raise short-term loans (with a maturity of less than one year):

€'000	2022 credit facility	2021 credit facility
MATURITY		
Unlimited	70,000	70,000

The interest rates of short-term loans raised in 2022 were between 0.5 percent and 4.45 percent (previous year: between 0.47 percent and 2.77 percent).

At 31 December 2022 €4,062 thousand of the credit facility had been drawn (previous year: €4,840 thousand).

36. LEASE LIABILITIES

At the reporting date, the balance sheet shows the following liabilities in connection with lease agreements:

LEASE LIABILITIES €'000	31/12/2022	31/12/2021
Lease liabilities	131,993	133,493
Of which with a maturity of		
- up to 1 year	13,424	13,005
- 1 to 5 years	49,704	47,354
- over 5 years	68,865	73,134

The expenses relating to leases of low-value assets that are not included in the short-term leases (covered by other operating expenses) amount to € 121 thousand (previous year: € 119 thousand).

The expenses relating to leases of assets with a limited maturity that are not included in the short-term leases (covered by other operating expenses) amount to € 208 thousand (previous year: € 219 thousand). There were no expenses relating to variable lease payments that are not included in the lease liabilities.

The total outpayments for leases in 2022 came to € 17,461 thousand (previous year: € 16,364 thousand).

At 31 December 2022 possible future cash outflows in the amount of € 39.9 million (previous year: € 41.6 million, undiscounted) were not included in the lease liability because it is not sufficiently certain that the lease agreements will be extended or terminated.

In the current period under review, modifications to leases due to adjustments to the term of agreements or remeasurements of extension or termination options led to an increase in the recognised lease liabilities and rights of use of € 2.7 million (previous year: € 6.4 million).

The group exercised the option of recognising rental concessions granted in connection with the COVID-19 pandemic as variable lease payments. The total amount in rental concessions due to the COVID-19 pandemic is € 42 thousand (previous year: € 255 thousand).

€'000	2022	2021
Depreciation/amortisation for rights of use	-14,045	-13,230
- of which for buildings and land	-12,814	-12,044
- of which for technical equipment and machinery	-217	-208
- of which for other fixtures and fittings, tools and equipment	-1,014	-978
Interest expense for lease liabilities	-3,638	-3,634
Expense for short-term leases	-208	-219
Expense for leases of low-value assets	-121	-119
Expense for variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing of rights of use	-	-

€'000	2022	2021
Cash outflows for leases	-17,461	-16,364
Additions to rights of use	7,381	18,567
Gains from sale-and-leaseback transactions	-	-
Carrying amounts of rights of use at end of the reporting period	121,217	123,067
- of which buildings and land	119,136	120,684
- of which buildings and land from sale-and-lease-back transactions	-	157
- of which technical equipment and machinery	1,764	1,849
- of which other fixtures and fittings, tools and equipment	317	377

37. OTHER FINANCIAL LIABILITIES

€'000	31/12/2022			31/12/2021		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Other financial liabilities						
- from put options	4,710	-	4,710	4,022	-	4,022
- to minority interests	-	-	-	4,421	-	4,421
- sundry	8,851	9	8,860	9,020	110	9,130
TOTAL	13,561	9	13,570	17,463	110	17,573

Please see section 41 for liabilities from put options.

Of the liabilities from put options, €4,710 thousand are in respect of the liabilities from put options for 20 percent of the shares of *Global Wines & Spirits* in the Czech Republic. In the previous year (€4,022 thousand) the item was in respect of the put option of the company *WirWinzer*.

The remaining other financial liabilities are for the most part in respect of debtors with credit accounts at the reporting date.

In addition, liabilities to affiliated companies and to companies linked through participation are reported within this net amount, with the breakdown as follows:

€'000	31/12/2022	31/12/2021
<i>WeinArt Handels- und Beteiligungsgesellschaft mbH</i>	-	47
<i>Global Wines & Spirits, s.r.o., Prague (Czech Republic)</i>	-	3
	-	50

The carrying amounts of current liabilities correspond to the fair values in view of their short-term nature.

The market values of derivatives are also included in the amount of €8 thousand (previous year: €99 thousand).

The following tables indicate the anticipated (undiscounted) interest and principal payments for financial liabilities and for derivative financial instruments with a positive and negative fair value:

€'000	31/12/2022
DERIVATIVE FINANCIAL ASSETS	
Interest rate derivatives with hedging relationship	256
Forward exchange transaction without hedging relationship	59
	315
FINANCIAL LIABILITIES	
Borrowings	23,989
Lease liabilities	131,993
Trade payables	62,339
Other financial liabilities	13,562
	232,198
DERIVATIVE FINANCIAL LIABILITIES	
Interest rate derivatives with hedging relationship	8
	8
TOTAL	232,206
€'000	31/12/2021
DERIVATIVE FINANCIAL ASSETS	
Forward exchange transaction without hedging relationship	21
	21
FINANCIAL LIABILITIES	
Borrowings	19,128
Lease liabilities	133,493
Trade payables	67,895
Other financial liabilities	17,474
	238,011
DERIVATIVE FINANCIAL LIABILITIES	
Interest rate derivatives with hedging relationship	99
	99
TOTAL	238,110

Expected cash flows												
2023			2024			2025-2027			> after 2027			
Fixed interest	Variable interest	Principal	Fixed interest	Variable interest	Principal	Fixed interest	Variable interest	Principal	Fixed interest	Variable interest	Principal	
76	28	-	41	15	-	66	25	-	3	2	-	
-	-	59	-	-	-	-	-	-	-	-	-	
76	28	59	41	15	-	66	25	-	3	2	-	
474	54	11,763	224	37	3,412	231	61	8,412	-	3	402	
3,894	-	13,380	3,494	-	12,955	8,012	-	36,597	8,137	-	69,061	
-	-	62,339	-	-	-	-	-	-	-	-	-	
-	-	13,561	-	-	1	-	-	-	-	-	-	
4,444	82	101,102	3,759	52	16,368	8,309	86	45,009	8,140	5	69,463	
-	8	-	-	-	-	-	-	-	-	-	-	
-	8	-	-	-	-	-	-	-	-	-	-	
4,444	90	101,102	3,759	52	16,368	8,309	86	45,009	8,140	5	69,463	

Expected cash flows												
2022			2023			2024-2026			> after 2026			
Fixed interest	Variable interest	Principal	Fixed interest	Variable interest	Principal	Fixed interest	Variable interest	Principal	Fixed interest	Variable interest	Principal	
-	-	21	-	-	-	-	-	-	-	-	-	
-	-	21	-	-	-	-	-	-	-	-	-	
89	85	12,325	8	54	4,337	-	86	1,535	-	15	931	
3,296	-	12,969	2,987	-	12,289	7,159	-	34,937	7,358	-	73,298	
-	-	67,895	-	-	-	-	-	-	-	-	-	
-	-	17,463	-	-	11	-	-	-	-	-	-	
3,385	85	110,673	2,995	54	16,637	7,159	86	36,472	7,358	15	74,229	
20	11	-	13	9	-	21	18	-	4	3	-	
20	11	-	13	9	-	21	18	-	4	3	-	
3,405	96	110,673	3,008	63	16,637	7,180	104	36,472	7,362	18	74,229	

38. NON-FINANCIAL LIABILITIES

The group holds the following non-financial liabilities:

€'000	31/12/2022			31/12/2021		
	<i>Short-term</i>	<i>Long-term</i>	<i>Total</i>	<i>Short-term</i>	<i>Long-term</i>	<i>Total</i>
NON-FINANCIAL LIABILITIES						
Contract liabilities	21,276	3,064	24,340	19,914	4,519	24,433
Income taxes payable	11,789	-	11,789	11,935	-	11,935
Other non-financial liabilities	22,230	376	22,606	25,279	278	25,557
TOTAL	55,295	3,440	58,735	57,128	4,797	61,925

The other non-financial liabilities developed as follows:

€'000	31/12/2022			31/12/2021		
	<i>Short-term</i>	<i>Long-term</i>	<i>Total</i>	<i>Short-term</i>	<i>Long-term</i>	<i>Total</i>
OTHER NON-FINANCIAL LIABILITIES						
Liabilities from other taxes	15,753	-	15,753	15,316	-	15,316
Liabilities to employees	6,239	376	6,615	9,933	278	10,211
Sundry non-financial liabilities	238	-	238	31	-	31
TOTAL	22,230	376	22,606	25,279	278	25,557

The liabilities from other taxes are substantially in respect of VAT liabilities.

The liabilities to employees mainly result from special payments promised and from performance-related pay.

39. CONTRACT LIABILITIES

The contract liabilities with a maturity of less than one year amount to €21,276 thousand, and with a maturity of one to five years to €3,064 thousand. There are no liabilities with a maturity of more than five years.

The following contract liabilities were recorded in the year under review:

€'000	31/12/2022	31/12/2021
CONTRACT LIABILITIES		
Liabilities from subscription business with a maturity of one to five years	3,064	4,519
Liabilities from subscription business with a maturity of up to one year	5,263	5,905
Gift vouchers	5,884	5,712
Customer bonus programmes	5,804	6,083
Sundry contract liabilities	4,325	2,214
	24,340	24,433
REVENUE RECORDED IN THE REPORTING PERIOD FROM THE OPENING INVENTORIES OF THE CONTRACT LIABILITIES		
Revenue from subscriptions	4,971	4,321
Revenue from customer bonus programmes	6,083	8,640
Revenue from gift vouchers	5,712	5,095
	16,766	18,056

In keeping with the simplification rules of IFRS 15, no disclosures are made on the performance obligations at 31 December 2022 with an expected original maturity of one year or less. Furthermore, the simplification rule of IFRS 15.94 is applied in respect of the recognition of expense for contract initiation costs if the depreciation period otherwise to be taken into account would be less than twelve months.

The order backlog at the reporting date, which comprises subscriptions, amounts to €3,064 thousand for a period of more than twelve months.

From existing subscription contracts for the delivery of wine parcels, at 31 December 2022 the *Hawesko Group* expects future sales amounting to €5,374 thousand from performance obligations not (or only partially)

met at the reporting date and to be realised prospectively in the amount of €5,374 thousand in the next financial year. The contracts expire in the next financial year.

The liabilities from subscription business concern advance payments received from customers for wines which will be delivered in 2023 or 2024.

The sundry contract liabilities show €50 thousand in deferrals for returns; these essentially have a maturity of up to one year.

40. DEFERRED TAX LIABILITIES

The deferred tax liabilities are the result of temporary differences between the valuations in the fiscally relevant balance sheets and the carrying amounts in the consolidated balance sheet. The reported deferred tax liabilities relate to temporary differences in asset values in the following balance sheet items:

DEFERRED TAXES €'000	31/12/2022	31/12/2021
From fixed assets	6,108	5,229
From inventories	457	457
From the measurement of trade receivables	141	72
From the fair value measurement of derivative financial instruments	30	7
From leases	36,958	37,795
Miscellaneous	385	551
Offset against deferred tax assets	-39,318	-42,409
Change in tax rate	-	-
	4,761	1,702

The deferred tax liabilities developed as follows:

€'000	31/12/2022	31/12/2021
Opening balance	1,702	4,121
Cancellation of offsetting, previous year	42,409	37,801
Increase	971	5,158
Decrease	-1,003	-2,969
Offset against deferred tax assets	-39,318	-42,409
	4,761	1,702

Pursuant to IAS 12.39 (b) no deferred tax liabilities were recognised on temporary differences resulting from shares in subsidiaries amounting to € 202 thousand (previous year: € 75 thousand) because it is unlikely that these temporary differences will reverse in the foreseeable future.

A sum of € 884 thousand is expected to be used from the deferred tax liabilities within twelve months.

41. ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and fair values of the group's financial instruments at 31 December 2022 and 31 December 2021 according to IFRS 9.

€'000	Categories pursuant to IFRS 9	31/12/2022		31/12/2021	
		Carrying amount	Fair value	Carrying amount	Fair value
ASSETS					
Participating interests in non-consolidated subsidiaries	n.a.	45	45	63	63
Interest rate derivatives with hedging relationship	n.a.	220	220	-	-
Other long-term receivables	AC	4,431	4,431	4,212	4,212
FINANCIAL ASSETS (LONG-TERM)		4,696	4,696	4,275	4,275
Trade receivables	AC	48,948	48,948	46,443	46,443
Other current assets	AC	3,369	3,369	7,801	7,801
Interest rate derivatives with hedging relationship	n.a.	36	36	-	-
Forward exchange transactions without hedging relationship	FVtPL	59	59	21	21
FINANCIAL ASSETS (SHORT-TERM)		52,412	52,412	54,265	54,265
CASH AND CASH EQUIVALENTS	AC	30,459	30,459	52,861	52,861
EQUITY AND LIABILITIES					
Financial debt, long-term	AC	130,582	130,082	127,291	126,791
Other financial liabilities	AC	1	1	11	11
Interest rate derivatives with hedging relationship	n.a.	8	8	99	99
FINANCIAL LIABILITIES (LONG-TERM)		130,591	130,091	127,401	126,901
Financial debt, short-term	AC	25,400	25,399	25,400	25,329
Trade payables	AC	62,339	62,339	67,895	67,895
Other financial liabilities	AC	13,561	13,561	17,463	17,463
FINANCIAL LIABILITIES (SHORT-TERM)		101,300	101,299	110,758	110,687
of which aggregated by classification category acc. to IFRS 9					
Financial assets (FVtPL)		279			
Financial assets (AC)		87,207			
Financial liabilities (AC)		231,883			

The fair values of the financial instruments were fundamentally determined based on market information available at the balance sheet date and are categorised into one of the three levels in the fair value hierarchy pursuant to IFRS 13.

The following table shows the classification of the financial assets and liabilities that are to be measured

at fair value pursuant to IFRS 13, and for the financial instruments that are not measured at fair value but where the fair value is disclosed, into the three levels of the fair value hierarchy. These comprise derivatives with a hedging relationship. In addition, the put options of the minority interest in *Global Wines & Spirits* are recognised at the present value of the buy-back price (previous year *WirWinzer*)

€ '000	31/12/2022				31/12/2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS								
Derivatives (forward exchange transactions)	-	59	-	59	-	21	-	21
Interest rate derivatives with hedging relationships	-	256	-	256	-	-	-	-
EQUITY AND LIABILITIES								
Interest rate derivatives with hedging relationships	-	8	-	8	-	99	-	99
Borrowings (long-term)	-	11,513	-	11,513	-	6,303	-	6,303
Other financial liabilities	-	-	4,710	4,710	-	-	4,022	4,022

In the year under review and in the previous year there were no transfers between the levels of the hierarchy.

Level 1: On the first level of the fair value hierarchy, fair values are determined on the basis of publicly quoted market prices.

Level 2: If no active market for a financial instrument exists, the fair value is determined using valuation models. The valuation models use as wide a scope of data from the market as possible, and as little company-specific data as possible.

Level 3: The valuation models used at this level are also based on parameters not observed in the market.

The cash, trade receivables and other receivables have predominantly short maturities. The carrying amounts at the reporting date are therefore approximately the same as the fair value.

The fair value of the other long-term receivables and of the other loans with maturities of more than one year corresponds to the present values of the payments associated with the assets, taking into account the respective current interest parameters.

Trade payables and other liabilities have predominantly short maturities, with the result that the reported values are approximately the same as the fair value.

The fair values of amounts due to banks are determined on the basis of the applicable yield curve.

The fair values of the financial derivatives relate to their liquidation (redemption) value at the balance sheet date.

There is currently no intention to dispose of financial assets. The following table shows the changes in the financial liabilities classified as Level 3 at 31 December 2022:

€'000	<i>Put option</i>
01/01/2022	4,022
Change	688
31/12/2022	4,710

A pre-agreed valuation schedule which is based on EBIT figures and a multiplier is applied to the put option. A change in the future EBIT would have had the following effect on the buy-back price of the put option at 31 December 2022:

31/12/2022			
€'000	-1,000		+1,000
<i>Global Wines & Spirits</i>	3,100	4,710	6,321

The following table shows the changes in the financial liabilities classified as Level 3 at 31 December 2021:

€'000	<i>Put option</i>
01/01/2021	6,229
Change	-2,207
31/12/2021	4,022

	Measurement category acc. to IFRS 9	From subsequent measurement						Net earnings 2022
		From interest	From changes in cash flow estimates	At amortised cost	Currency translation	Impairment	From disposal	
NET EARNINGS BY MEASUREMENT CATEGORY IN 2022								
Loans and receivables (AC)	AC	282	-	-	-	-179	-	103
Financial assets recognised at fair value (FVtPL)	FVtPL	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost (AC)	AC	-752	-414	-	-	-	4,074	2,908
TOTAL		-470	-414	-	-	-179	4,074	3,011

	Measurement category acc. to IFRS 9	From subsequent measurement						Net earnings 2021
		From interest	From changes in cash flow estimates	At amortised cost	Currency translation	Impairment	From disposal	
NET EARNINGS BY MEASUREMENT CATEGORY IN 2021								
Loans and receivables (AC)	AC	-46	-	-	-	-97	-	-143
Financial assets recognised at fair value (FVtPL)	FVtPL	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost (AC)	AC	-460	-1,648	-	-	-	3,555	1,447
TOTAL		-506	-1,648	-	-	-97	3,555	1,304

OTHER DISCLOSURES

42. NOTES TO THE CASH FLOW STATEMENT

The cash flow statement acc. to IAS 7 adopts the indirect method as its basis for determining the net cash inflow from current operations, and comprises the stages “current operations”, “investing activities” and “financing activities”. The cash flow statement begins with the accounting profit. For reasons of materiality, the taxes paid have been allocated in full to current operations.

The cash outflows from interest payments and dividends have been allocated to financing activities.

The net cash inflow from current operations of € 36,757 thousand (previous year: € 49,001 thousand) includes the changes in cash and cash equivalents from operating activities.

NCI forwards denotes the original shareholders of *Vinos*, who still hold ten percent of the shares in the company as of January 2022. In 2022 a distribution of the net income of *Vinos* for 2021 in the amount of € 576 thousand (previous year: € 587 thousand) was made to NCI forwards.

The composition of cash and cash equivalents is summarised in the following table:

€'000	2022	2021	Change
Cash in banking accounts and cash on hand	30,459	52,861	-22,402
Due to banks (current accounts)	-	-	-
Funds at end of period	30,459	52,861	-22,402

The net liquidity and its development for the period shown are made up as follows:

€'000	2022	2021
Cash and cash equivalents	30,459	52,861
Liquid investments	-	-
less borrowings - repayable within one year (including current account)	11,976	12,325
less borrowings - repayable after more than one year	12,013	6,803
NET BORROWINGS/ FINANCIAL RESOURCES	6,470	33,733
Cash and liquid investments	30,459	52,861
Gross liabilities - fixed-rate	-18,946	-11,144
Gross liabilities - variable-rate	-5,043	-7,984
NET LIQUIDITY	6,470	33,733

The cash and non-cash changes to liabilities from financing activities as well as corresponding equity items are as follows:

€'000	Debt		Equity		Total	
	Bor- rowings	Lease liabilities	Liabilities for the acquisition of minority interests	Retained earnings		Interests not controlled
BALANCE SHEET AT 1 JANUARY 2022	19,128	133,493	8,443	106,665	2,159	269,888
CHANGES IN CASH FLOW FROM FINANCING ACTIVITIES						
Dividends paid	-	-	-	-22,459	-	-22,459
Outpayments to non-controlling interests	-	-	-	-	-405	-405
Outpayment to NCI forwards	-	-	-	-576	-	-576
Acquisition of minority interests	-	-	-8,495	-	-	-8,495
Sale of shares in minority interest	-	-	-	984	1,858	2,842
Outpayments for lease liabilities	-	-13,452	-	-	-	-13,452
Raising (delta) of borrowings	4,861	-	-	-	-	4,861
Interest paid	-705	-3,638	-	-	-	-4,343
OVERALL CHANGES IN CASH FLOW FROM FINANCING ACTIVITIES	4,156	-17,090	-8,495	-22,051	1,453	-42,027
EFFECTS OF EXCHANGE RATE CHANGES	-	72	-	31	23	126
CHANGES IN AMORTISED COST	-	-	-	-	-	-
OTHER CHANGES						
Addition to group of consolidated companies	-	1,809	4,710	-3,646	-81	-
New leases	-	10,114	-	-	-	10,114
Interest expense	705	3,640	-	-	-	4,345
Other changes	-	-42	52	25,046	566	25,622
TOTAL OTHER CHANGES	705	15,521	4,762	21,400	485	42,873
BALANCE SHEET AT 31 DECEMBER 2022	23,989	131,996	4,710	106,045	4,120	270,860

in T€	Debt			Equity		Total
	Bor- rowings	Lease liabilities	Liabilities for the acquisition of minority interests	Retained earnings	Interests not controlled	
BALANCE SHEET AT 1 JANUARY 2021	24,032	126,767	10,650	91,346	2,251	255,046
CHANGES IN CASH FLOW FROM FINANCING ACTIVITIES						
Dividends paid	-	-	-	-17,967	-	-17,967
Outpayments to non-controlling interests	-	-	-	-	-39	-39
Outpayment to NCI forwards	-	-	-	-587	-	-587
Acquisition of minority interests	-	-	-3,555	-339	-101	-3,995
Outpayments for lease liabilities	-	-12,392	-	-	-	-12,392
Repayment (delta) of borrowings	-4,904	-	-	-	-	-4,904
Interest paid	-459	-3,634	-	-	-	-4,093
OVERALL CHANGES IN CASH FLOW FROM FINANCING ACTIVITIES	-5,363	-16,026	-3,555	-18,893	-140	-43,977
EFFECTS OF EXCHANGE RATE CHANGES	-	-39	-	-	-	-39
CHANGES IN AMORTISED COST	-	-	1,348	-	-	1,348
OTHER CHANGES						
New leases	-	19,335	-	-	-	19,335
Interest expense	459	3,634	-	-	-	4,093
Other changes	-	-178	-	34,167	-54	33,935
TOTAL OTHER CHANGES	459	22,791	-	34,167	-54	57,363
BALANCE SHEET AT 31 DECEMBER 2021	19,128	133,493	8,443	106,620	2,057	269,741

43. RISK MANAGEMENT AND FINANCIAL DERIVATIVES

Principles of risk management

With regard to its assets, liabilities and planned transactions, the *Hawesko Group* is exposed above all to risks from changes in interest rates and, to a minor degree, risks from exchange rate movements. The aim of its financial risk management is to limit these market risks by finance-oriented activities. Selected derivative hedges are also used for this purpose. As a fundamental principle, however, protection is only obtained for those risks that affect the group's cash flow.

Risk management for the *Hawesko Group* is governed in the first instance by a corporate finance department (Group Finance) based on guidelines that the management has approved. The Group Finance department identifies, assesses and hedges financial risks in close cooperation with the operating companies of the *Hawesko Group*. The Board of Management provides written principles for overall risk management as well as principles for certain areas, such as foreign currency, interest rate and default risks, as well as the use of derivative and non-derivative financial instruments and the handling of liquidity surpluses.

If all relevant criteria are met, hedge accounting is adopted to eliminate the mismatch in financial reporting between the hedge and the hedged underlying transaction. For interest rate risks, this results in the recognition of interest expense at a fixed rate for the hedged variable-rate loans, and for exchange risks it results in sales revenues that are realised at the hedged exchange rate.

Derivatives and hedges

Derivatives are used exclusively for economic hedging purposes, not as speculative investments. However if derivatives do not meet the criteria for hedge accounting, they are classified as and recognised at fair value through profit or loss. They are shown as current assets or liabilities if the term of the derivative will prospectively reach settlement within twelve months of the end of the reporting period. At the reporting date, exclusively interest rate swaps are designated for hedge accounting, whereas forward exchange transactions are standalone market instruments.

The reserve for cash flow hedges within other reserves developed as follows in the financial year under review:

RESERVE FOR CASH FLOW HEDGES €'000	<i>Total</i>
OPENING BALANCE ON 01/01/2021	-223
Effective change in the fair values of hedges recognised within other comprehensive income	231
Reclassified to statement of income because underlying transaction realised through profit or loss	-
Deferred tax	-67
CLOSING BALANCE ON 31/12/2021	-59
Effective change in the fair values of hedges recognised within other comprehensive income	385
Reclassified to statement of income because underlying transaction realised through profit or loss	-
Deferred tax	-97
CLOSING BALANCE ON 31/12/2022	229

There were no other reclassifications to profit or loss on the basis of early termination, changed expectations regarding the underlying transaction, due to uncollectable losses recognised within other comprehensive income or due to an adjusted basis.

As in the previous year, the closing balance results exclusively from assets-side cash flow hedges. There are no effects from terminated cash flow hedges here.

Derivatives are reported for the first time at fair value at the time a derivatives transaction is concluded and subsequently remeasured at their fair value at the end of each reporting period. The *Hawesko Group* designates derivatives to hedge a specific risk that is associated with the cash flows for reported assets and liabilities, and for expected transactions rated as very likely (cash flow hedges).

At the start of the hedging relationship the *Hawesko Group* documents the economic relationship between the hedges and the hedged underlying transactions, including the question of whether changes in the cash flows for the hedges are expected to compensate for changes in the cash flows for the underlying transactions. The group documents the underlying risk management aims and strategies for its hedges.

The fair values of derivative financial instruments that are designated in hedges are stated in section 41.

The effective portion of the changes in the fair value of derivatives that are designated as hedges within the framework of cash flow hedges is recognised in the reserve for cash flow hedges as an equity component (other comprehensive income).

The *Hawesko Group* concludes interest rate swaps exhibiting identical terms to the hedged underlying transaction, such as reference interest rate, interest reset dates, payment dates, maturities and nominal amount. All material contractual conditions matched during the financial year, with the result that there was in each case an economic relationship between underlying transaction and hedge.

In hedging using interest rate swaps, the economic hedging relationship is demonstrated by the critical term match method because the measurement-related parameters of underlying transaction and hedge correspond in full. The hypothetical derivative method is applied to calculate ineffectiveness. Ineffectiveness may arise due to changes in the non-payment risk of one contracting party to the interest rate swap not cancelled out by value changes in the hedged loans, or subsequently arising differences in the contractual conditions between interest rate swap and hedged loan.

The gain or loss from the interest rate swaps is reported under interest expense in the profit or loss for the period in which the interest expense for the hedged borrowings is recognised through profit or loss.

Certain derivative instruments do not meet the requirements for hedge accounting. Changes in the fair value of a derivative instrument that is not accounted for as a hedge are recognised directly through profit or loss and reflected in other gains (losses). However these derivatives are subject to the same risk management methods as all other derivative contracts.

Exchange risks

Exchange risks result from future business transactions, assets and liabilities recognised in the accounts as well as net investments in foreign operations, and are assessed overall as low. The *Hawesko Group* is principally exposed to exchange rate risks for the Swiss franc (CHF), the Czech koruna (CZK) and the Swedish krona (SEK).

Forward exchange transactions are also concluded to hedge such risks. The risk management policy of the *Hawesko Group* envisages hedging of around 80 percent of the cash flows anticipated with high probability (principally export sales) in Swedish krona.

If there is an effective hedging relationship between the underlying transaction and hedge (cash flow hedge), measurement is at fair value through other comprehensive income. The foreign currency assets and liabilities are translated at the closing rate. The foreign-currency gains and losses are booked through profit or loss. The obligations and entitlement from the measurement of forward exchange transactions are shown under other financial liabilities and other financial assets.

The following table shows how interest rate swaps without hedge accounting affect the net worth, financial position and financial performance of the *Hawesko Group*:

FORWARD EXCHANGE TRANSACTIONS	2022	2021
Carrying amount (assets/liabilities), €'000	59	21
Nominal amount in SEK '000	34,800	43,600
Due date	January - June 2023	January - June 2022
Range of hedging rates (SEK/EUR) - average rate weighted	10.9281	10.2132

The sensitivity analysis comprises merely outstanding monetary items held in Swiss francs and adjusts their translation at year-end to reflect a ten percent change in the exchange rate. It reflects exclusively external loans. Outstanding receivables and liabilities denominated in Swedish krona are subject to no risk of a change in the exchange rate because they are fully hedged by standalone forward exchange transactions. The ten percent change is the figure that is used for internal reporting of the exchange rate risk to the governing bodies, and represents the management's assessment with regard to a reasonable possible exchange rate movement.

€'000	<i>Influence on earnings after taxes</i>	
	2022	2021
EUR/CHF exchange rate - rise of 10% (previous year: -10%)	-406	-484
EUR/CHF exchange rate - fall of 10% (previous year: -10%)	406	484

The carrying amount of the monetary debts of the *Hawesko Group* denominated in Swiss francs (CHF) at the reporting date is € 4,062 thousand (previous year: € 4,840 thousand); no monetary assets exist.

Interest rate risks

The interest rate risk principally involves movements in the short-term Eurocurrency market interest rates. In order to minimise the impact of interest rate fluctuations in this region, the Board of Management regularly specifies the desired mix of fixed and variable-rate financial debt and uses appropriate interest rate derivatives for this purpose.

If there is no close hedging relationship in connection with the underlying transactions in the case of the interest rate derivatives due to the lack of matched maturities between the highly varying levels of use of underlying and hedging transactions, they are measured at fair value, with gains or losses from the change in fair value recognised through profit or loss through the interest result. At the reporting date there were no interest rate derivatives without hedge relationships.

If the hedging relationship between the underlying and hedging transactions is considered effective (cash flow hedge), measurement is likewise at fair value, with changes in the fair value recognised income-neutrally in other comprehensive income. Swaps currently in place cover €5 million of the outstanding variable-rate loans. The variable interest rates of the loans follow the three-month EURIBOR. The borrowing rates hedged by the interest rate swaps are 0.92 and 1.58 percent overall. Payments from the interest rate swaps are made at the end of each quarter. The settlement dates match the dates on which the interest payments on the underlying liabilities are due.

The following table shows how interest rate swaps within hedge accounting affect the net worth, financial position and financial performance of the *Hawesko Group*:

INTEREST RATE SWAPS	2022	2021
Carrying amount (receivable; previous year: liabilities), €'000	248	-99
Nominal amount, €'000	4,908	7,849
Due date	October 2023 and October 2028	October 2023 and October 2028
Hedging ratio	1:1	1:1
Change in the fair value of outstanding hedges since 1 January	347	111
Ineffectiveness recognised through profit or loss (recognised in interest expense)	-	-
Fixed overall borrowing rates secured by hedging relationship	0.92% - 1.58%	0.92% - 1.58%

The obligations and entitlement from the measurement of interest rate derivatives are shown under other financial liabilities and other financial assets.

Interest rate risks are represented by means of sensitivity analyses pursuant to IFRS 7. These show the effects of changes in market rates on interest payments, interest income and expense, other earnings components and possibly also equity.

The interest rate sensitivity analyses are based on the following assumptions: changes in the market

rates of fixed-interest primary financial instruments only affect earnings if those instruments are measured at fair value. All fixed-interest financial instruments measured at amortised cost are consequently not exposed to interest rate risks as defined by IFRS 7.

Changes in the market rates affect the interest result for primary, variable-rate financial instruments, the interest payments on which are not designated as underlying transactions in the context of cash flow hedges for interest rate risks, and are consequently included in the calculation of the earnings-related sensitivities.

Changes in the market rates of interest rate derivatives which are not bound up in a hedging relationship pursuant to IFRS 9 affect the other financial result and are therefore taken into account in the earnings-related sensitivities.

If market interest rates had hypothetically risen or fallen by 100 base points respectively (parallel shift in interest curves) while other variables remained unchanged, the measurement of interest rate swaps measured at fair value would have been € 0.1 million lower or € 0.1 million higher. The effects were recognised as a fair value change within other comprehensive income

Non-payment risks

The credit and non-payment risk of financial assets from business operations (essentially trade receivables) corresponds to no more than the amounts shown on the assets side and is well diversified thanks to the large number of individual receivables from customers. The impairment of financial assets concerns trade receivables. The simplified approach under IFRS 9 is used to measure the expected credit losses. Consequently, for all trade receivables reference is made to the expected lifetime credit losses. To measure the expected credit losses, trade receivables were grouped together based on common credit risk features and the number of days overdue. The expected loss rates are based on the payment profiles for sales over a period of 36 months before 31 December 2022 or 31 December 2021 and the corresponding historical defaults in that period. The historical loss rates are compared with the collection rates of the debt collection agencies appointed, and adjusted as appropriate. In view of the group's customer structure, no further adjustments to the loss ratios are necessary to reflect current and forward-looking information on the macro-economic factors that govern customers' capacity to settle the receivables.

Advance payments are for the most part protected by bank guarantees.

In the financing area, transactions are concluded only with counterparties with a top credit rating.

Liquidity risks

Cautious liquidity risk management means keeping adequate cash as well as having access to financial resources through an appropriate amount in agreed credit lines, to be able to meet obligations due. At the end of the period under review the *Hawesko Group* held immediately available cash in banking accounts and cash on hand of € 30,459 thousand (previous year: € 52,861 thousand). As a result of the dynamism of the underlying business activities, the *Hawesko Group* maintains its financial flexibility by keeping the agreed credit lines available.

The management uses rolling forecasts to monitor the liquidity reserves of the *Hawesko Group* (comprising the unused credit lines – see section 35) and the cash based on the expected cash flows. This is generally done based on the information in the operating units of the *Hawesko Group*, in agreement with the limits laid down by the *Hawesko Group*. These limits vary and reflect the liquidity of the market in which the group company is active.

44. SEGMENT REPORTING

In agreement with the rules of IFRS 8, individual data from the annual financial statements is broken down by operating segment and, in agreement with the internal reporting arrangements of the *Hawesko Group*, arranged according to sales form and customer group. Segment assets, segment investment and external sales are in addition categorised by region in the secondary reporting format. The regions shown are those in which the *Hawesko Group* operates.

Segment assets and segment investment are fundamentally allocated on the basis of the location of the asset in question; external sales are allocated on the basis of each customer.

The segments comprise the following areas:

- The *Retail* segment sells wine mainly via a network of retail outlets (Jacques') which are run by independent agency partners. Since 1 January 2018 the group has had a comprehensive premium lifestyle and connoisseurship concept in Austria based around shops, bars and an online shop, in the shape of *Wein & Co*. Both businesses focus on consumers.
- The *B2B* segment groups together business activities with retailers; wines and champagnes are sold both by an in-house sales force and by an organisation of trade representatives. The B2B segment is also active in the Swiss wine market through *Globalwine*, in the Austrian market through *Wein Wolf Austria* and in the Czech market through *Global Wines & Spirits*.
- The *e-commerce* segment comprises wine and champagne distance selling, with activities focused on the consumer. This segment also includes gifts business for corporate and private customers, based on a special catalogue. The distance-selling business unit includes the companies *HAWESKO*, *Vinos* and *WirWinzer* as well as *The Wine Company*.

- The *Miscellaneous* segment covers all corporate group functions and includes *Hawesko Holding SE* and *WineTech*.

For a summary of the composition of the segments of the *Hawesko Group*, see section 7.

The segment data has been calculated in the following way:

- Internal sales indicate the sales between segments. The transfer prices for intra-group sales are calculated on the basis of market prices.
- The segment result is defined as earnings before interest, taxes and any deduction for minority interest (EBIT). The EBIT of each segment serves as the management tool.
- The segment assets are the sum of non-current and current assets required for current operations, excluding consolidating items within the segment and any income tax claims.
- The segment debts are the operating debts (provisions and interest-free liabilities), excluding consolidating items within the segment and income tax liabilities.
- The elimination of intra-group balances that is to be performed within a segment and the capital consolidation data (goodwill and goodwill impairment) are allocated to the respective segments.
- There are no significant non-cash income and expenses in the segments.

INFORMATION BY REGION €'000	<i>Investment</i>		<i>Non-current assets</i>	
	2022	2021	2022	2021
Germany	13,476	6,486	167,527	167,382
Rest of Europe	8,889	1,272	52,214	41,058
GROUP, CONSOLIDATED	22,365	7,758	219,741	208,440

SALES BREAKDOWN BY REGION €'000	2022	2021
Germany	560,111	585,936
Austria	52,399	50,661
Switzerland	21,425	20,018
Sweden	11,184	13,968
Czech Republic	15,056	-
Miscellaneous	11,307	9,948
	671,482	680,530

Segment reporting for the period from 1 January 2022
to 31 December 2022:

SEGMENT REPORTING €'000	<i>Retail</i>	<i>B2B</i>	<i>e-commerce</i>	<i>Miscellaneous</i>	<i>Total</i>	<i>Consolidation</i>	<i>Group, consolidated</i>
SALES REVENUES	229,018	207,915	243,641	2,274	682,849	-11,367	671,482
External sales	228,486	200,598	242,398	-	671,482	-	671,482
Internal sales	533	7,318	1,243	2,274	11,367	-11,367	-
OTHER INCOME	14,274	5,161	1,956	1,851	23,242	-1,345	21,897
External	14,273	5,161	1,425	1,038	21,897	-	21,897
Internal	1	-	531	813	1,345	-1,345	-
EBITDA	33,064	14,157	20,595	-6,127	61,690	125	61,815
DEPRECIATION/ AMORTISATION AND IMPAIRMENT	-14,352	-2,400	-4,959	-1,026	-22,738	-	-22,738
EBIT	18,712	11,757	15,637	-7,153	38,953	125	39,078
FINANCIAL RESULT	-3,429	4,523	-1,313	399	180	-830	-650
Financial income	3	267	45	1,316	1,631	-1,349	282
Financial expense	-3,432	-757	-736	-826	-5,751	1,340	-4,410
Other financial result	-	4,635	-621	-92	3,922	-444	3,478
Investment result	-	378	-	-	378	-378	-
EARNINGS BEFORE TAXES	15,283	16,280	14,324	-6,753	39,133	188	39,321
TAXES ON INCOME							-13,159
CONSOLIDATED EARNINGS							26,163
SEGMENT ASSETS	175,926	139,433	108,683	231,289	655,331	-221,642	433,689
SEGMENT DEBTS	165,609	99,403	72,974	38,048	376,035	-77,951	298,084
INVESTMENT	6,085	946	8,586	352	15,969	-	15,969

Segment reporting for the period from 1 January 2021 to 31 December 2021:

SEGMENT REPORTING €'000	<i>Retail</i>	<i>B2B</i>	<i>e-commerce</i>	<i>Miscellaneous</i>	<i>Total</i>	<i>Consolidation</i>	<i>Group, consolidated</i>
SALES REVENUES	238,454	181,341	270,507	1,636	691,939	-11,409	680,530
External sales	238,438	173,202	268,877	-	680,517	12	680,530
Internal sales	16	8,140	1,630	1,636	11,422	-11,422	-
OTHER INCOME	14,227	3,156	2,962	962	21,307	-1,525	19,782
External	14,227	2,624	2,091	418	19,360	422	19,782
Internal	-	532	871	544	1,947	-1,947	-
EBITDA	39,990	6,668	37,056	-8,443	75,271	-64	75,207
DEPRECIATION/ AMORTISATION AND IMPAIRMENT	-13,899	-1,838	-5,603	-787	-22,127	-	-22,127
EBIT	26,091	4,830	31,453	-9,230	53,144	-64	53,080
FINANCIAL RESULT	-3,375	-386	-398	-650	-4,810	-1	-4,811
Financial income	5	134	31	450	621	-465	155
Financial expense	-3,381	-410	-429	-355	-4,576	464	-4,111
Other financial result	-	-110	-	-1,648	-1,758	-	-1,758
Investment result	-	-	-	903	903	-	903
EARNINGS BEFORE TAXES	22,715	4,444	31,055	-9,880	48,334	-65	48,269
TAXES ON INCOME							-14,015
CONSOLIDATED EARNINGS							34,255
SEGMENT ASSETS	182,464	103,310	103,040	232,027	620,841	-183,296	437,545
SEGMENT DEBTS	168,785	81,278	65,608	42,861	358,532	-53,679	304,853
INVESTMENT	4,265	517	1,596	1,379	7,757	-	7,757

45. CAPITAL MANAGEMENT

The overriding aim of capital management at the *Hawesko Group* is to preserve the ability of the *Hawesko Group* to repay debts and distribute dividends as well as maintain its financial substance in order to conduct operating activities in the future.

Another objective of the *Hawesko Group* involves permanently keeping the capital structure at a level that will continue to guarantee it a bank rating of “investment grade” standard. To assure this and in order to continue paying a dividend in keeping with the earnings per share, it is necessary to continue generating an adequate free cash flow. The sustained optimisation of working capital is a priority target.

The capital structure is managed on the basis of the net debt or net liquidity position. This is defined as the sum of amounts due to banks, other loans, lease liabilities and provisions for pensions, less cash.

At 31 December 2022 there is net debt of € 126,279 thousand (previous year: net debt of € 100,816 thousand).

The return on capital employed (ROCE) is a further important indicator for capital management.

It is calculated as follows:

- Operating result (EBIT) divided by average capital employed
- This comprises the balance sheet total (for the *Hawesko Group*) less interest-free liabilities and provisions, deferred tax assets as well as cash and cash equivalents.

This indicator is not envisaged in the IFRS accounting standards, and its definition and method of calculation may vary from company to company. A long-term return on capital employed (ROCE) of consistently at least 14.0 percent is the aim. A rate of return of 16.0 percent was achieved in the year under review (previous year: 24.2 percent).

46. APPLICATION OF THE EXEMPTION RULES OF SECTION 264 (3) OF GERMAN COMMERCIAL CODE FOR INCORPORATED FIRMS

The group companies *IWL Internationale Wein-Logistik GmbH*, *WirWinzer GmbH*, *WineCom International Holding GmbH*, *WineTech Commerce GmbH*, *Hanseatisches Wein- und Sekt-Kontor HAWESKO GmbH*, *Jacques' Wein-Depot Wein-Einzelhandel GmbH*, *Wein & Vinos GmbH*, *Wein Service Bonn GmbH*, *Tesdorpf GmbH* (formerly *Carl Tesdorpf GmbH*), *The Wine Company Hawesko GmbH*, *Weinland Ariane Abayan GmbH*, *Wein Wolf GmbH*, *Grand Cru Select Distributionsgesellschaft mbH* and *Global Eastern Wine Holding GmbH* make use of the exemption rules of Section 264 (3) of German Commercial Code for the year under review. The consolidated financial statements are published in the electronic Federal Gazette.

47. APPLICATION OF THE EXEMPTION RULES OF SECTION 291 OF GERMAN COMMERCIAL CODE FOR SUBGROUPS

The subgroups of *Wein Service Bonn GmbH*, *Wein Wolf GmbH*, *Hanseatisches Wein- und Sekt-Kontor HAWESKO GmbH*, *WineCom International Holding GmbH* and *WeinArt Handelsgesellschaft mbH* exercise the exemption rules of Section 291 (1) of German Commercial Code in the year under review because they have been included in the exempting consolidated financial statements of *Hawesko Holding SE*. The consolidated financial statements are published in the electronic Federal Gazette.

48. DECLARATION OF COMPLIANCE

The Declaration of Compliance with the German Corporate Governance Code, as specified under Section 161 of the German Stock Corporation Act, was submitted on 6 April 2022 and is made permanently available on the internet at (www.hawesko-holding.com/en/corporate-governance).

49. RELATED PARTY DISCLOSURES

In accordance with IAS 24, the following details of relationships with related parties are disclosed:

The *Hawesko Group* is controlled by *Tocos Beteiligung GmbH*, which holds 72.6 percent (previous year: 72.6 percent) of the shares of *Hawesko Holding SE*. The ultimate controlling party is Detlev Meyer.

Goods to the value of € 580 thousand (previous year: € 272 thousand) were purchased from *St. Antony Weingut GmbH & Co. KG*, Nierstein am Rhein, which is held by Detlev Meyer. In addition, goods to the value of € 2,163 thousand (previous year: € 1,823 thousand) were purchased from *Heyl zu Herrnsheim Weinkellerei GmbH*, Nierstein am Rhein, which is likewise held by Detlev Meyer. Furthermore, goods with a volume of € 619 thousand were bought from related parties in the year under review. The order volume in the corresponding prior-year period was € 572 thousand.

Rent in the total amount of € 369 thousand (previous year: € 369 thousand) was paid to *ATL Objektverwaltung GmbH*, Hanover, which is held by Detlev Meyer, for an office and warehouse building in Tornesch. There exist neither receivables (previous year: € 0 thousand) nor liabilities (previous year: € 0 thousand) in respect of *ATL Objektverwaltung GmbH* at the reporting date.

The Board of Management and Supervisory Board are to be regarded as related parties pursuant to IAS 24.9. During the period under review, there were business relationships between the Supervisory Board or Board of Management and the companies included in the consolidated financial statements. The basic features of the remuneration system and the remuneration level of the Board of Management and Supervisory Board are presented and explained more fully in the detailed remuneration report. The remuneration report is published on the homepage of *Hawesko Holding SE* on the following link: <https://www.hawesko-holding.com/en/corporate-governance/>

The total remuneration of the Board of Management according to IFRS came to € 1,986 thousand in the financial year (previous year: € 2,850 thousand).

The Board of Management members active in the respective reporting years were remunerated as follows:

BOARD OF MANAGEMENT REMUNERATION (IFRS) €'000	2022	2021
Basic remuneration	1,193	1,192
Multi-year variable remuneration	793	1,658
TOTAL REMUNERATION	1,986	2,850

Individual members of the Board of Management were in addition granted non-cash benefits of insignificant value. No service cost from retirement benefits exists for active Board of Management members, nor were provisions created, as in the past.

The total remuneration (HGB) granted in the 2022 financial year amounted to € 2,366 thousand for the Board of Management of *Hawesko Holding SE* (previous year: € 2,166 thousand).

The former Board of Management member Bernd Hoolmans was granted a retirement pension from reaching the age of 65, as well as invalidity pay; a provision totalling € 182 thousand (previous year: € 260 thousand) was recognised for this commitment at 31 December 2022. Mr Hoolmans has been drawing a monthly retirement pension of € 1 thousand from this since August 2015.

The expense for the fixed remuneration of the Supervisory Board came to € 30 thousand for the 2022 financial year (previous year: € 30 thousand). The variable remuneration of the Supervisory Board was € 316 thousand (previous year: € 420 thousand). Other emoluments, predominantly attendance fees, totalled € 122 thousand (previous year: € 99 thousand).

In addition, in 2022 goods to the value of € 307 thousand (previous year: € 501 thousand) were purchased from Weingut Robert Weil, of which Wilhelm Weil is director. Also, in 2022 goods to the value of € 173 thousand were purchased from the Villa Santo Stefano S.r.l. estate, which is controlled by Prof. Wolfgang Reitzle. In the previous year Prof. Wolfgang Reitzle was not a related party within the meaning of IAS 24. Sales of € 222 thousand (previous year: € 315 thousand) were realised with Gerhard D. Wempe GmbH & Co. KG, of which Kim-Eva Wempe is managing partner. Finally, companies indirectly owned by Dr. Jörg Haas supplied services in the amount of € 79 thousand (previous year: € 0 thousand).

All benefits are fundamentally due in the short term unless otherwise indicated.

There existed no loans to members of the Board of Management or Supervisory Board in the 2022 financial year, as in the previous year.

The balance sheet includes provisions for obligations or current liabilities in respect of the Board of Management and Supervisory Board totalling € 1,288 thousand (previous year: € 2,208 thousand).

At 31 December 2022 the Supervisory Board – directly and indirectly – held 6,532,376 shares in *Hawesko Holding SE*, of which 6,522,376 were attributable to the Chair (previous year: 6,522,376) and 10,000 to Dr. Jörg Haas (previous year: 10,000).

At 31 December 2022 the Board of Management holds 1,500 shares in *Hawesko Holding SE*, of which 500 are attributable to Thorsten Hermelink (previous year: 500) and 1,000 to Alexander Borwitzky (previous year: 1,000).

Apart from the circumstances mentioned, there were no significant business relations with the Board of Management and Supervisory Board in the year under review.

LIST OF SHAREHOLDINGS

pursuant to Section 313 (2) of German
Commercial Code at 31 December 2022

(SUBSIDIARIES)	Registered office	Equity, €'000	Ownership interest, %	Net earnings 2022 €'000
A. DIRECT PARTICIPATIONS				
<i>Hanseatisches Wein- und Sekt-Kontor HAWESKO GmbH*</i>	Hamburg	6,165	100	8,548
<i>Jacques' Wein-Depot Wein-Einzelhandel GmbH*</i>	Düsseldorf	4,537	100	17,936
<i>Wein & Co. Handelsges.m.b.H.</i>	Vösendorf (Austria)	-870	100	-1,692
<i>Wein Service Bonn GmbH*</i>	Bonn	12,911	100	9,520
<i>IWL Internationale Wein Logistik GmbH</i>	Tornesch	-143	100	-173
<i>Wein & Vinos GmbH</i>	Berlin	4,357	100	3,357
<i>WineCom International Holding GmbH*</i>	Hamburg	12,971	100	-25
<i>WineTech Commerce GmbH*</i>	Hamburg	25	100	-184
<i>WeinArt Handelsgesellschaft mbH</i>	Geisenheim	3,441	51	799
<i>Sélection de Bordeaux S.A.R.L.</i>	Strasbourg (France)	-21	100	-4
<i>Globalwine AG**</i>	Zurich (Switzerland)	3,404	90	984

	Registered office	Equity, €'000	Ownership interest, %	Net earnings 2022 €'000
B. INDIRECT PARTICIPATIONS				
PARTICIPATING INTERESTS OF HANSEATISCHES WEIN- UND SEKT-KONTOR HAWESKO GMBH:				
<i>Tesdorpf GmbH (formerly: Carl Tesdorpf GmbH)</i>	Lübeck	970	100	93
<i>The Wine Company Hawesko GmbH</i>	Hamburg	264	100	29
PARTICIPATING INTERESTS OF WINECOM INTERNATIONAL HOLDING GMBH:				
<i>WirWinzer GmbH</i>	Munich	3,115	100	1,671
PARTICIPATING INTERESTS OF WIRWINZER GMBH:				
<i>WirWinzer Mercato del Vino s.r.l.</i>	Bolzano (Italy)	10	100	-
PARTICIPATING INTERESTS OF WEIN SERVICE BONN GMBH:				
<i>Wein Wolf GmbH*</i>	Bonn	8,866	100	9,520
PARTICIPATING INTERESTS OF WEIN WOLF GMBH:				
<i>Wein Wolf Import GmbH & Co. Vertriebs KG</i>	Salzburg (Austria)	678	100	887
<i>Verwaltungsgesellschaft Wein Wolf Import GmbH</i>	Salzburg (Austria)	43	100	4
<i>Global Eastern Wine Holding GmbH</i>	Bonn	3,704	100	2,509
<i>Grand Cru Select Distributionsgesellschaft mbH</i>	Bonn	1,621	100	388
<i>Weinland Ariane Abayan GmbH*</i>	Hamburg	1,831	100	6,628
PARTICIPATING INTERESTS OF GLOBAL EASTERN WINE HOLDING GMBH:				
<i>Global Wines & Spirits s.r.o.***</i>	Prague (Czech Republic)	5,328	80	2,428

* Before profit transfer

** The equity was converted at an exchange rate of CHF/EUR 0.96954 (reporting date) and the net income for the year at a rate of CHF/EUR 0.99617 (average)

*** The equity was converted at an exchange rate of CZK/EUR 24.11600 (reporting date) and the net income for the year at a rate of CZK/EUR 24.56027 (average)

50. EXPENDITURE ON AUDITOR'S FEES

The expenditure on auditor's fees was made up as follows:

€'000	2022	2021
Audit services	640	633
<i>of which for the international network</i>	93	74
Tax consultancy	-	-
Other services	-	58
<i>of which for the international network</i>	-	16
TOTAL	640	691

The fees for audit services comprise the audit of the annual financial statements of the group companies as well as the audit of the consolidated financial statements. The other services in the previous year are in respect of audit-related consultations on the implementation of a software application. No other services were used in the financial year.

51. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The public was notified in the press release dated 26 January 2023 that Raimund Hackenberger, Chief Financial Officer of *Hawesko Holding SE*, will leave the company on 31 March 2023. Chief Executive Officer Thorsten Hermelink will act as interim Chief Financial Officer.

Hamburg, 11 April 2023

The Board of Management

Thorsten Hermelink

Alexander Borwitzky

RESPONSIBILITY STATEMENT BY THE MANAGEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the management report of the group, which is combined with the management report of *Hawesko Holding SE*, includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Hamburg, 11 April 2023

The Board of Management

Thorsten Hermelink

Alexander Borwitzky

INDEPENDENT AUDITOR'S REPORT

To Hawesko Holding SE, Hamburg

NOTE ON THE AUDITING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of *Hawesko Holding Aktiengesellschaft*, Hamburg, and its subsidiaries (the Group), which comprise the consolidated statement of financial position at 31 December 2022, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the financial year from 1 January to 31 December 2022 as well as the notes to the consolidated financial statements, including a summary of significant accounting policies. We have also audited the report on the situation of the company and the Group (hereinafter "combined management report") of *Hawesko Holding SE* for the financial year from 1 January to 31 December 2022.

In accordance with the requirements of German law, we have not examined the content of those parts of the combined management report listed in the "Other information" section of our Auditor's Report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB), and in compliance with these requirements, give a

true and fair view of the assets, liabilities and financial position of the Group at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022, and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with the German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion of the combined management report does not extend to the content of those parts of the combined management report listed in the "Other information" section of our Auditor's Report.

Pursuant to Section 322 (3) first sentence HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and the combined management report in accordance with Section 317 HGB and the EU Regulation on specific requirements regarding statutory audit of public-interest entities (No. 537/2014; hereinafter "EU Audit Regulation") and German generally accepted principles for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW) Under those regulations and principles our responsibility is described further in the section "Responsibility of the Auditor for the Auditing of the Consolidated

Financial Statements and of the Combined Management Report of our Auditor's Report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with those requirements. In addition, we declare that, pursuant to Article 10 (2) letter f) of EU Audit Regulation we did not perform any prohibited non-audit services within the meaning of Article 5 (1) of EU Audit Regulation. We are of the opinion that the audit evidence we obtained is adequate and suitable to serve as a basis for our audit opinions on the consolidated financial statements and the combined management report.

Key Audit Matters in the Auditing of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

RECOVERABILITY OF GOODWILL

With regard to the accounting policies applied, we refer to the sections 5 and 6 of the notes to the consolidated financial statements. Disclosures on goodwill amounts are also to be found in section 19 of the notes to the consolidated financial statements.

The risk for the financial statements

Goodwill at 31 December 2022 amounts to EUR 34.1 million; at 26 % of consolidated equity, it is a significant component of the assets and liabilities.

Goodwill is tested annually for impairment at the level of the cash-generating unit. Cash-generating units normally represent individual subsidiaries within the

group. Impairment testing involves comparing the carrying amount with the recoverable amount of the cash-generating unit. If the carrying amount exceeds the recoverable amount, there is a need for impairment. The recoverable amount is the higher of fair value less disposal costs or value in use of the company. The relevant date for impairment testing is 31 December 2022.

Testing goodwill for impairment is a complex process and is based on a number of discretionary assumptions. These include for example the expected net cash flows for the next three or four years, the assumed sustainable growth rate and the discount rate applied.

Based on the impairment tests carried out, the company has not identified any need for impairment.

There is the risk for the consolidated financial statements that existing impairment was not identified. Also, there is the risk that the associated disclosures in the notes will not be appropriate.

Our approach in the audit

First, we gained an understanding of the process used by the company to assess the recoverability of goodwill from comments by employees in accounting and by appraising the documentation. Based on the information obtained, we assessed which areas of goodwill might require impairment. With the involvement of our measurement specialists, we assessed such matters as the appropriateness of the significant assumptions as well as the calculation method used by selected risk-bearing companies. To achieve that, we discussed the expected net cash flows and the assumed sustainable growth rate with the planners in order to gain an understanding of the assumptions made by the company.

We also reconciled the planning prepared by the Board of Management and approved by the Supervisory Board for the following three years.

Furthermore, we satisfied ourselves of the company's previous forecasting quality by comparing plans for the preceding financial year with the results actually achieved, and analysed deviations. We compared the assumptions and data underlying the discount rate with our own assumptions and with data in the public domain.

To assess the methodological and mathematical accuracy of implementation of the measurement method, we analysed the measurement performed by the company using our own calculations and analysed deviations.

To reflect the existing forecasting uncertainty, we investigated possible changes in the discount rate and the net cash flows as well as the sustainable growth rate compared with the recoverable amount by calculating alternative scenarios and drawing comparisons with the company's figures (sensitivity analysis).

Finally, we assessed whether the disclosures on goodwill impairment in the notes are appropriate.

Our conclusions

The underlying calculation method for impairment testing of goodwill is appropriate and in agreement with the applicable valuation principles.

The company's underlying assumptions and the data used in the measurement are within the acceptable ranges and are appropriate.

The associated disclosures in the notes are appropriate.

Other Information

The Board of Management and Supervisory Board are responsible for the other information.

The other information comprises the following not-audited parts of the combined management report:

- the combined non-financial declaration of the company and the Group, which is contained in the "Combined non-financial statement" section of the combined management report,
- the combined corporate governance declaration of the company and the Group, which is referred to in the combined management report, and
- the disclosures on the appropriateness and effectiveness of the risk and compliance management system and of the internal control system (ICS) contained in the combined management report, in the Risk Report section, which are non-management-report disclosures and are identified as unaudited

The other information moreover comprises the remaining sections of the Annual Report. The other information does not include the consolidated financial statements, the content-audited disclosures in the combined management report and our accompanying Auditor's Report.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion nor any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the aforementioned other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the content-audited disclosures in the combined management report or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibility of the Board of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The Board of Management is responsible for the preparation of the consolidated financial statements, that comply in all material respects with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and for ensuring that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the Board of Management is responsible for such internal controls as it has determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. manipulation of the accounting and damage to assets) or error.

In preparing the consolidated financial statements, the Board of Management is responsible for assessing the ability of the Group to continue as a going concern. In addition it has the responsibility for disclosing, as applicable, matters related to going concern. It is also responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

The Board of Management is also responsible for the preparation of the combined management report, which as a whole provides a suitable view of the Group's position and is consistent in all material respects with the consolidated financial statements, complies with the requirements of German law and suitably presents the opportunities and risks of future development. The Board of Management is in addition responsible for the precautions and measures (systems) that it has deemed necessary to enable the preparation of a combined management report that is consistent with the requirements of German law, and to enable it to furnish sufficient suitable evidence for the statements made in the combined management report.

The Supervisory Board is responsible for overseeing the Group's accounting process for the preparation of the consolidated financial statements and of the combined management report.

Responsibility of the Auditor for the Auditing of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements due to fraudulent acts or errors, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance means a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB, EU Audit Regulation and German Generally Accepted Standards for the Financial Statement Audit promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise through fraudulent acts or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement in the consolidated financial statements and in the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting material misstatements resulting from fraudulent acts is higher than the risk of not uncovering material misstatements resulting from errors, because fraudulent acts may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- acquire an understanding of the relevant internal control system for the audit of the consolidated financial statements and the relevant precautions and measures for the audit of the combined management report in order to plan audit procedures that may be appropriate in the circumstances, but not with the aim of submitting an audit opinion on the effectiveness of those systems.
- evaluate the appropriateness of accounting policies used by the Board of Management and the reasonableness of estimates made by the Board of Management and related disclosures.
- conclude on the appropriateness of the Board of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we reach the conclusion that a material uncertainty exists, we are obliged to point out the affected disclosures contained in the consolidated financial statements and the combined management report in the Auditor's Report or, if those disclosures are inappropriate, to modify our audit opinion on the matter in question. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- obtain sufficient appropriate audit evidence for the accounting information of the enterprises or business activities within the Group to be able to provide audit opinions on the consolidated financial statements and the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- conduct audit procedures on the future-related statements by the Board of Management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Board of Management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards introduced to eliminate threats to our independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Note on the Auditing of the Electronic Reproductions of the Consolidated Financial Statements and the Combined Management Report prepared for Purposes of Disclosure in Accordance with Section 317 (3a) of the German Commercial Code

We have performed an assurance engagement in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the supplied electronic file "KA ESEF Datei.zip" (SHA256-Hashwert: 3945384a245187af8b3c6a99c1e39fd44de7e60ed25f744c4f8aed38f390e624) and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance engagement

only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within this reproduction nor to any other information contained in the above-mentioned electronic file.

In our assessment the reproductions of the consolidated financial statements and the combined management report contained in the aforementioned supplied file and prepared for purposes of disclosure in all material respects satisfy the requirements of Section 328 (1) HGB on the electronic reporting format. Over and above this audit opinion and our audit opinions on the enclosed consolidated financial statements and enclosed combined management report for the financial year from 1 January to 31 December 2022 contained in the above "Note on the Auditing of the Consolidated Financial Statements and the Combined Management Report", we do not express an audit opinion on the information contained in these reproductions or on the other information contained in the aforementioned file.

We conducted our audit of the reproductions of the consolidated financial statements and the combined management report contained in the aforementioned supplied file in agreement with Section 317 (3a) HGB, in compliance with the IDW audit standard: Audit of Electronic Reproductions of Financial Statements and Management Reports prepared for Purposes of Disclosure in Accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibility in this respect is further described below. Our auditing firm has applied the requirements of the quality assurance system of the IDW quality assurance standard: Quality Assurance Requirements in the Auditing Profession (IDW QS 1).

The Board of Management of the company is responsible for preparing the ESEF documents with the electronic reproductions of the consolidated financial statements and the combined management report in

accordance with Section 328 (1) fourth sentence No. 1 HGB, and for tagging the consolidated financial statements in accordance with Section 328 (1) fourth sentence No. 2 HGB.

Furthermore, the Board of Management of the company is responsible for the internal controls that it deems necessary to enable the creation of ESEF documents that are free from material breaches, whether due to fraud or error, of the requirements of Section 328 (1) HGB regarding the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to achieve reasonable assurance about whether the ESEF documents are free from material breaches of the requirements of Section 328 (1) HGB, whether due to fraud or error. We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material breaches, whether due to fraud or error, of the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of the internal controls relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these controls.
- assess the technical validity of the ESEF documents, i.e. whether the supplied file containing the ESEF documents satisfies the requirements of the Commission Delegated Regulation (EU) 2019/815 as amended at the balance sheet date regarding the technical specification for this file.
- assess whether the ESEF documents enable a substantively identical XHTML reproduction of the audited consolidated financial statements and the audited combined management report.
- assess whether the tagging of the ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815 as amended at the balance sheet date enables an appropriate and fully machine-readable XBRL copy of the XHTML reproduction.

Further Disclosures pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the Annual General Meeting on 14 June 2022. We were engaged by the Supervisory Board Chair on 1 November 2022. We have been the group auditor of *Hawesko Holding Aktiengesellschaft* without interruption since financial year 2022.

We declare that the audit opinions expressed in this Auditor's Report are consistent with the additional report to the Audit Committee pursuant to Article 11 of EU Audit Regulation (long-form audit report).

In addition to auditing the financial statements, we performed the following services not declared in the consolidated financial statements or in the combined management report on behalf of the company and the companies under its control:

- Conducting voluntary annual accounts audits for subsidiaries, and
- Providing the "Valuation Data Source" application on the basis of a "software as a service" model

OTHER MATTER – USAGE OF THE AUDITOR’S REPORT

Our Auditor’s Report is always to be read in conjunction with the audited consolidated financial statements and the audited combined management report, as well as the audited ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not replace them. In particular, the ESEF note and our audit opinion contained therein are only to be used in conjunction with the audited ESEF documents made available in electronic form.

RESPONSIBLE GERMAN PUBLIC AUDITOR

The German Public Auditor responsible for the engagement is Hartmut Heckert.

Hamburg, den 12. April 2023

KPMG AG Wirtschaftsprüfungsgesellschaft

Heckert
Wirtschaftsprüfer

Kastka
Wirtschaftsprüferin

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

As expected, the scaling-back of official coronavirus restrictions and normalised customer behaviour led to a downturn in sales and EBIT in 2022. Russia's invasion of Ukraine and the soaring inflation this triggered were not to be foreseen but had an adverse effect on consumer confidence and fuelled huge cost increases for wine, paper, card and indeed the entire supply chain. The *Hawesko Group* was nevertheless able to assert its leading position in the intensely competitive German wine market. Sales of € 671.5 million for financial year 2022 were consequently only slightly down on the previous year's level. As it was not yet possible to pass on the cost increases in full to consumers, group EBIT came to € 39.1 million.

Even in this special environment, the *Hawesko Group* was still able to demonstrate the strategic strength of its business model and navigated a successful course through the various risks and opportunities. The Supervisory Board believes that the group continues to be in robust health and remains confident about the medium and long-term outlook for business development.

INTERACTION BETWEEN BOARD OF MANAGEMENT AND SUPERVISORY BOARD

In the 2022 financial year the Supervisory Board exercised dedication and great care in performing the tasks for which it is responsible in accordance with the legal requirements and the articles of incorporation. It was kept informed about the situation of the company at its regular meetings and in meetings of its committees, supported the Board of Management in an advisory capacity on all key strategic matters, oversaw it throughout and passed all the necessary resolutions. Above and beyond its routine meetings, the Board of Management reported to the Supervisory Board Chair on other important matters pursuant to

Section 90 (1) third sentence of the German Stock Corporation Act (AktG). The regular oral and written reports submitted to the Supervisory Board covered the overall position of the group and current business developments as well as its medium-term strategy, including its investment, financial and earnings plans in addition to the development of management. The focus of its deliberations was on the economic development of the group companies and the future direction of *Hawesko Holding SE*.

The Supervisory Board held four ordinary meetings in financial year 2022 and, supported by meetings of the Audit and Investment Committee and of the Personnel and Nominating Committee, considered the strategic planning as well as the efficiency, lawfulness and regularity of the company's management. The topics of the reports and discussions of the Supervisory Board included the current trading position of the group, the principles of corporate governance and their implementation in the company, personnel matters, compliance and risk management within the group, and also the strategic business plans. The following individual topics were considered and discussed in depth:

- The overall economic effects of the Ukraine conflict, the specific consequences for the business development of the group and the response of the management to the development
- The conversion of *Hawesko Holding AG* into a *Societas Europaea*
- The sustainability strategy of the group
- The internationalisation strategy of the group
- The logistics strategy and investment in the extension of the warehouse in Tornesch near Hamburg

- Discussion of the company's corporate social responsibility (CSR)
- The three-year plan for the financial years 2023 to 2025
- The proposal that the Annual General Meeting of the company appoint KPMG AG Wirtschaftsprüfungsgesellschaft as auditors of the consolidated and annual financial statements for the 2022 financial year

Pursuant to Section 8 of the articles of incorporation, an individual investment project involving a sum of more than €2.5 million, the acquisition of other companies or the disposal of investments in companies with a value of more than €0.5 million require the prior consent of the Supervisory Board. A majority of two-thirds of the votes is required for this. In financial year 2022 the purchase of the Czech company *Global Wines & Spirits* for a net price of €6.8 million was approved by the Supervisory Board.

Under the reporting system, each month the Supervisory Board was sent the key financial data, and its trends compared with the target and prior-year figures and the market expectations were presented and explained in detail. The Supervisory Board has acknowledged the planning and accounting documents, considered them in depth and been able to assess their plausibility and appropriateness.

All the members of the Supervisory Board were present at all the scheduled Supervisory Board meetings.

The annual financial statements prepared by the Board of Management, the consolidated financial statements and the combined management report of the group and the parent company for the 2022 financial year, including the bookkeeping, were examined by KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, appointed as auditors by the Annual General Meeting of 14 June 2022. The auditors did not find any cause for objection and issued their unqualified opinion. The Audit and Investment Com-

mittee simultaneously monitored the independence of the auditors and in this connection obtained the corresponding declaration.

The Board of Management submitted the annual and consolidated financial statements, the combined management report for the group and the parent company for the 2022 financial year, and the audit reports of the independent auditor on the examination of the annual and consolidated financial statements and the Board of Management's proposal on the appropriation of earnings to the Audit and Investment Committee for review. At its meeting on 22 March 2023, the committee considered the financial statements of the affiliated companies and discussed them at length in the presence of the auditors. The annual financial statements and the consolidated financial statements of *Hawesko Holding SE* as well as the audit reports of the auditors were discussed at length and examined by the whole Supervisory Board at its meeting on 12 April 2023.

The Supervisory Board raises no objections. It ratifies the annual and consolidated financial statements for 2022 pursuant to Section 171 AktG. The annual financial statements are thus approved in accordance with Section 172 AktG. The Supervisory Board endorses the proposal of the Board of Management to use the unappropriated profit for the 2022 financial year for the distribution of a dividend of €1.90 per no par value share.

The subject matter of the audit dated 12 April 2023 also included the dependency report on related parties prepared by the Board of Management pursuant to Section 312 AktG, taking into account the report presented by the independent auditor on the findings of its audit of this report. On the basis of the dependency report the Supervisory Board has assured itself, in the presence of the independent auditor, that *Hawesko Holding SE* has not been disadvantaged in the past financial year by actions of its majority shareholder or by transactions with it. The Supervisory Board has therefore noted and approved the opinion issued by the independent auditor and issued two declarations:

- Based on the conclusive findings of its examination, it raises no objections to the declaration by the Board of Management on related parties.
- *Hawesko Holding SE* received appropriate consideration for each transaction based on the circumstances known to it at the time each transaction was conducted or each action was taken or omitted, and was therefore not disadvantaged by the action taken or omitted.

SUPERVISORY BOARD COMMITTEES AND MEETINGS

	Meetings ¹	of which in-person	of which virtual
Supervisory Board	7	2	5
Audit and Investment Committee	7	0	7
Personnel and Nominating Committee	5	3	2

¹ *Hawesko Holding* has been operating as an SE since 14 November 2022. One meeting each of the Supervisory Board, Audit and Investment Committee and Personnel and Nominating Committee took place after the conversion of legal form.

WORK OF THE AUDIT AND INVESTMENT COMMITTEE

The Audit and Investment Committee met before the publication of each quarterly financial report and discussed these according to Article 7.1.2. of the German Corporate Governance Code. Various M&A projects were also discussed at meetings of the Audit and Investment Committee in the course of 2022. The committee furthermore discussed the accounts of the subsidiaries for 2021 in the presence of the auditor. At the end of the financial year the audit priorities were defined for the 2022 audit of the financial statements and the three-year plan and progress with strategic projects were addressed.

Dr. Jörg Haas was absent from the meeting on 2 November 2022. Apart from that instance, all members of the committee attended all meetings of the Audit and Investment Committee.

WORK OF THE PERSONNEL AND NOMINATING COMMITTEE

At its meetings on 4 April, 13 June, 12 September, 11 November and 15 December 2022, the Personnel and Nominating Committee considered personnel matters in the presence of and in dialogue with managers of the company. The Personnel and Nominating Committee also considered the Supervisory Board mandates and recommended the re-election of Dr. Jörg Haas at the 2023 Annual General Meeting.

All members of the Personnel and Nominating Committee attended in all its meetings.

CORPORATE GOVERNANCE

On 6 April 2022 the Board of Management and Supervisory Board submitted the annual Declaration of Compliance in respect of the German Corporate Governance Code. The agreed Declaration of Compliance pursuant to Section 161 AktG is published separately in the Annual Report as part of the Corporate Governance Declaration along with disclosures on the principles of corporate governance and the description of the modus operandi of the Board of Management and Supervisory Board (see pages 179ff.). The document is available at www.hawesko-holding.com.

The Supervisory Board examined the efficiency of its activities to assure effective control of the Board of Management, drawing on the specialist knowledge and experience of the members of the Supervisory Board, by way of self-evaluation. Supervisory Board members fundamentally have the opportunity to take advanced training in the context of their Supervisory Board activities. This option was not taken up in the year under review.

CHANGES IN THE COMPOSITION OF THE EXECUTIVE BODIES

Board of Management

There were no changes among the members of the Board of Management in 2022.

Supervisory Board

Prof. Dr. Franz Jürgen Säcker left the Supervisory Board in 2022. Prof. Dr.-Ing. Wolfgang Reitzle has joined the Supervisory Board.

Conflicts of interest

The Chair has not been notified of any conflicts of interest.

The Supervisory Board extends its thanks to the Board of Management, the directors of the affiliated companies, the employee council and all employees of *Hawesko Holding SE's* affiliated companies, the *Jacques'* agency partners and the distribution partners in the B2B segment for their commitment and hard work.

Hamburg, 12 April 2023

The Supervisory Board

Detlev Meyer
Chairman

CORPORATE GOVERNANCE DECLARATION

A. FUNDAMENTALS OF CORPORATE GOVERNANCE AT *HAWESKO SE*

The concept of corporate governance refers to a responsible, transparent corporate governance approach that strives for sustainable value creation and spans the entire management and supervisory system of an enterprise, including its organisation, principles of business policy and guidelines as well as the internal and external control and supervisory mechanisms. *Hawesko Holding SE* is committed to responsible corporate governance and supervision directed towards increasing the value of the company. The principles of sustainable corporate governance and continuous development of the business are presented transparently and comprehensibly in order to create, maintain and strengthen trust among customers, business partners and shareholders. In this declaration, the Board of Management and Supervisory Board observe Principle 23 and Article F.4 of the German Corporate Governance Code as amended on 28 April 2022 (GCGC 2022) as well as Sections 289f and 315d of the German Commercial Code (HGB) regarding the principles of corporate governance. As a European company, in addition to the German Stock Corporation Act *Hawesko Holding SE* is subject to special European SE regulations and the German act implementing the SE regulations (SEAG) as well as the Act on the Participation of Employees in a European Company. With its dual system of governance (Board of Management and Supervisory Board) and stock exchange listing, all material principles of the stock corporation also apply to *Hawesko Holding SE*.

B. DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE ACCORDING TO SECTION 161 AKTG

Pursuant to Section 161 of the German Stock Corporation Act (AktG), the Board of Management and Supervisory Board of publicly quoted stock corporations shall declare each year that the recommendations of the Government Commission on the German Corporate Governance Code (GCGC), published in the official section of the Federal Gazette by the Federal Ministry of Justice, have been and are complied with, or which of these recommendations have not been or are not complied with.

The Supervisory Board and Board of Management of *Hawesko Holding SE*, Hamburg, addressed corporate governance matters on multiple occasions in the 2022 financial year and on 12 April 2023 issued the following joint Declaration of Compliance according to Section 161 AktG:

“The Board of Management and Supervisory Board of *Hawesko Holding SE* declare that, based on due examination, the recommendations of GCGC as amended on 28 April 2022 (GCGC 2022, published in the official section of the Federal Gazette on 27 June 2022) were complied with from 6 April 2022 (date of submission of the previous Declaration of Compliance) and will be complied with in the future, excepting the discrepancies stated under Nos. 1 to 6:

1. *No sustainability-related objectives in the corporate planning*

Article A.1 of GCGC 2022 recommends that the Board of Management shall systematically identify and assess the risks and opportunities associated with social and environmental factors, as well as the ecological and social impacts of the enterprise's activities. In addition to long-term economic objectives, the corporate strategy shall also give appropriate consideration to ecological and social objectives. Corporate planning shall include corresponding financial and sustainability-related objectives. In 2021 the Board of Management of *Hawesko Holding SE* approved a comprehensive sustainability strategy, embedded it at all companies of the group and is convinced that the long-term, sustainable further development of the group is not achievable without regard for the social and environmental factors of the enterprise's activities. The multi-year plan for the years beyond 2022 does not yet contain any non-financial or sustainability-related objectives. The Board of Management takes account of the relevant environmental and social factors in all entrepreneurial decisions, within its wider assessment, but believes it is reasonable always to consider all possible factors when reaching entrepreneurial decisions, without treating certain aspects as fundamentally more important than others.

2. *No sustainability-related objectives in the internal control system and the risk management system*

Article A.3 of GCGC 2022 recommends that the internal control system and the risk management system shall also cover sustainability-related objectives, unless in any case required by law. This shall include processes and systems for collecting and processing sustainability-related data. As explained under Article 1, the Board of Management of *Hawesko Holding SE* has not previously approved any non-financial or sustainability-related objectives as part of the multi-year plan and has therefore not captured any firm non-financial or sustainability-related objectives in the internal control system and the risk

management system. However its overall risk assessment identifies and assesses all risks, so environmental and social risks are likewise given consideration.

3. *No stipulation of an age limit for service on the Supervisory Board*

Article C.2 of GCGC 2022 recommends stipulating an age limit for service on the Supervisory Board. Until now, the Supervisory Board of *Hawesko Holding SE* has not specified an age limit for serving on the Supervisory Board. In the opinion of the Supervisory Board, the decision on whether to remain a member is best left to the individual Supervisory Board member. An age limit to serving on the Supervisory Board would result in inappropriate restrictions.

4. *Independence of the Chair of the Audit Committee*

Article C.10 of GCGC 2022 recommends that the Chair of the Audit Committee shall be independent from the controlling shareholder. The Chair of the Audit Committee Thomas R. Fischer, in his capacity as Board of Management member of Marcard, Stein & Co AG, has business relations with *Tocos Beteiligung GmbH* (a major shareholder of *Hawesko Holding SE*) and with Detlev Meyer (Chair of the Supervisory Board of *Hawesko Holding SE*) and is therefore not independent of the controlling shareholder. The Supervisory Board is nevertheless convinced that Mr. Thomas R. Fischer is in every respect suited to the position of Chair of the Audit Committee in light of his qualifications, and bases his actions on the interests of the *Hawesko Group*.

5. *Public availability of the consolidated financial statements*

Article F.2 of GCGC 2022 recommends that the consolidated financial statements and group management report be made available to the public within 90 days of the end of the financial year. The consolidated financial statements and group management report of *Hawesko Holding SE* will be published within 120 days of the end of the financial year, instead of within 90 days. This assures appropriate interest.

6. *Performance-related component of the remuneration of the Supervisory Board members*

Article G.18 of GCGC 2022 recommends that performance-related remuneration of the Supervisory Board members be based on long-term corporate development. The remuneration of the Supervisory Board members of *Hawesko Holding SE* includes a performance-related component that is based on the unappropriated profit for the year in question. The Board of Management and Supervisory Board are of the opinion that this year-specific remuneration component appropriately reflects the consultative and supervisory function of the Supervisory Board. In addition, time-based determination of the variable remuneration more closely reflects in-year changes in the composition of the Supervisory Board as a result of the exit or arrival of new Supervisory Board members.”

Hamburg, 12 April 2023

The Supervisory Board

The current Declaration of Compliance – together with the Declarations of Compliance for previous years – can also be consulted by shareholders and the public on the website of *Hawesko Holding SE* at www.hawesko-holding.com/en/corporate-governance.

The Board of Management

C. RELEVANT DISCLOSURES ON CORPORATE MANAGEMENT PRACTICES, THE MODUS OPERANDI OF THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD, AND THE COMPOSITION AND MODUS OPERANDI OF THE SUPERVISORY BOARD COMMITTEES

I. Organisation and management

The structure of the *Hawesko Group* is characterised by a balance of non-central units and corporate governance and organisational decisions: as many decisions as possible about business operations are taken and implemented by the individual subsidiaries. This organisational structure is useful because the wine trade depends to a great extent on nurturing and exploiting personal contacts with both producers and customers. The parent company *Hawesko Holding SE* normally holds 100 percent or a majority of the shares in the subsidiaries, which are active predominantly in the wine trade. The significant operationally active incorporated firms within the group of consolidated companies, above all *HAWESKO* and *Jacques'*, are integrated into the group by means of profit transfer agreements with the holding company. The parent company *Hawesko Holding SE* and the majority of the subsidiaries are domiciled in the Federal Republic of Germany. The subsidiaries not based in Germany are all domiciled in other European Union countries or in Switzerland.

The *Hawesko Group* is essentially divided into three business segments (please refer to the “Company profile” section in the combined management report). The Board of Management uses sales growth, EBIT margin, ROCE and free cash flow as the basis for its management approach.

EBIT margin: The EBIT margin is earnings before interest and taxes, divided by net sales. It is an indicator of the company's operating profitability.

ROCE: Return on capital employed. This is the ratio of EBIT to the average amount of capital employed and provides an indication of the return on the capital employed in the period under review.

Free cash flow: This denotes the total funds freely available to the company after all expenditure within a period. It serves as a guide to what funds are available for financing growth and paying dividends.

The target minimum rates of return are presented in the “Management system” section of the combined management report. The targets and the development of the individual segments based on these benchmarks form part of the regular strategy and reporting discussions with the managing directors of the individual group companies. By incorporating EBIT margins and the return on capital employed into the objectives and target attainment checks, responsibility is clearly apportioned to the managing directors below Board of Management level.

Since 1 January 2011 a compliance code passed and regularly reviewed by the Board of Management and Supervisory Board has been in place for all *Hawesko Group* companies. The code of conduct for employees and the social media guidelines can be accessed at www.hawesko-holding.com/en/corporate-governance/.

II. Shareholders and Annual General Meeting

The shareholders of *Hawesko Holding SE* exercise their right to have a say in the running and supervision of the company through the Annual General Meeting. All shares are no par value bearer shares equipped with identical rights and obligations. Every share in *Hawesko Holding SE* carries one vote. The principle of “one share, one vote” is taken to its logical conclusion, as there are no caps on the number of voting rights which may be held by one shareholder, nor any special voting rights. Every shareholder is entitled to take part in the Annual General Meeting, to comment there on the individual agenda items and to demand information on matters concerning the company, to the extent that this is needed for the correct assessment of a matter being brought before the Annual General Meeting. The Annual General Meeting is held during the first six months of each financial year. Chairing of the Annual General Meeting is the responsibility of the Supervisory Board Chair or another member of the Supervisory Board nominated by the Chair. The Annual General Meeting fulfils all the tasks assigned to it by law. A resolution shall normally be carried by a simple majority or, in certain cases (including for resolutions on capital measures and amendments to the articles of incorporation) by a majority of at least three-quarters of the capital stock represented.

Detlev Meyer is a Supervisory Board member and the biggest shareholder of *Hawesko Holding SE*, holding 72.6 percent of the shares through *Tocos Beteiligung GmbH*. There then follow the heirs of Michael Schiemann, with a 5.6 percent shareholding via *Augendum Vermögensverwaltung GmbH*. The remaining approx. 21.8 percent are held by institutional and private investors. There are no employee shares within the meaning of Sections 289a (1) first sentence No. 5 and 315a (1) first sentence No. 5 HGB.

III. Supervisory Board

The Supervisory Board advises and oversees the Board of Management. To conduct important and fundamental transactions, the Supervisory Board must first give its consent by a two-thirds majority specifically to individual investments of a value of more than € 2.5 million and to the acquisition of other companies or the disposal of investments in companies with a value of more than € 0.5 million. A reporting system informs the Supervisory Board members monthly of key financial data compared with the target and prior-year figures, and explains these. At least four ordinary meetings of the Supervisory Board as well as meetings of its committees take place each year.

According to the articles of incorporation the Supervisory Board comprises six members, elected by the Annual General Meeting. From among its members it elects a person to act as Chair and a person to act as Deputy Chair. Declarations of intent by the Supervisory Board are issued by the person acting as Chair or, if they are prevented from attending, by their Deputy. The Supervisory Board has a quorum if all members have been invited and at least half of the members take part in the vote. Resolutions of the Supervisory Board are carried by a simple voting majority, unless otherwise specified by law or the articles of incorporation. In the event of a tied vote, a majority may resolve to conduct a fresh debate; otherwise a new vote must be held without delay. When voting anew on the same matter, the Chair has two votes if the result is once again a tie.

1. The Supervisory Board committees

The Supervisory Board has formed two committees that perform the functions assigned to them on behalf of the whole Supervisory Board. The committees are convened by the person acting as their Chair and meet as often as is deemed necessary. There is currently a Personnel and Nominating Committee, and also an Audit and Investment Committee, each comprising three members.

a) Personnel and Nominating Committee

The Personnel and Nominating Committee prepares the personnel decisions to be dealt with by the Supervisory Board, attends to long-term succession planning jointly with the Board of Management, and also pays heed to diversity in the composition of the Board of Management. It prepares the passing of resolutions by the whole Supervisory Board on the determination of Board of Management remuneration and the review of the remuneration system for the Board of Management, and deals with Board of Management contracts unless the German Stock Corporation Act specifies that they must be concluded, amended and terminated by the whole Supervisory Board. In addition, it proposes suitable candidates to the Supervisory Board for the election of Supervisory Board members by the Annual General Meeting, taking into account the statutory requirements, the recommendations of GCGC and the requirements profile for the Supervisory Board resolved by the Supervisory Board. In doing so, in each case it assures itself that the person candidating is able to set aside the anticipated time required. On personnel affairs, the committee also has the task of examining the appointment or dismissal of senior executives of the group to establish whether such actions serve the interests of early and balanced succession planning.

The Chair of the Personnel and Nominating Committee is Detlev Meyer. The other members are Wilhelm Weil and Kim-Eva Wempe.

b) Audit and Investment Committee

The Audit and Investment Committee deals with the supervision of accounting, the financial reporting process and the effectiveness of the auditing of financial statements. It also prepares the resolution proposal of the Supervisory Board to the Annual General Meeting on the election of the auditors. If there is the intention to rotate auditors, the Audit and Investment Committee is responsible for the selection process. Following election by the Annual General Meeting it issues the mandate for the audit of the consolidated and annual financial statements, agrees the fee and specifies the audit priorities. It continuously monitors the independence of the independent auditor and discusses with it the threats to its independence as well as the precautions taken to reduce those threats. In that connection the Audit and Investment Committee is also responsible for monitoring and approving the services provided by the auditors over and above the audit of the financial statements (non-audit services).

The Audit and Investment Committee discusses the audit services provided by the independent auditor, evaluating the quality of those audit services provided. Based on the positive findings of the quality evaluation of the financial statements audit presented at the meeting on 22 March 2023, the Audit and Investment Committee recommends that the annual financial statements be approved.

The Chair of the Audit and Investment Committee is Thomas R. Fischer. The other members are Prof. Dr.-Ing. Wolfgang Reitzle and Dr. Jörg Haas. The function of financial expert according to Section 100 (5) AktG is performed by Thomas R. Fischer. All committee members are familiar with the finance and accounting area. In line with the recommendation in Article D.3 of GCGC 2022, all members of the Audit and Investment Committee possesses particular knowledge and experience in the application of accounting policies and internal control systems as well as risk management systems, and are familiar with the auditing of financial statements.

2. Target for the proportion of women on the Supervisory Board

On the basis of the requirements profile for the Supervisory Board (please refer to Article 3.), the Supervisory Board looks beyond the professional and personal qualifications of the candidates, and also takes diversity aspects into consideration when making its election proposals to the Annual General Meeting. By way of a target for the proportion of women on the Supervisory Board, it was specified that the board and the Personnel and Nominating Committee are to maintain the status quo of at least one woman member until 30 June 2025. This target is currently achieved.

3. Requirements profile for the Supervisory Board

In respect of the various requirements and recommendations for the composition of the Supervisory Board, in April 2018 it approved a requirements profile, which it reviewed again and confirmed in April 2020. This profile contains the statutory requirements and regulations of GCGC on the composition of the Supervisory Board, as well as its objectives for its composition, the competency profile for the whole board within the meaning of Article C.1 of GCGC 2022 and the diversity concept for the Supervisory Board according to Section 289f (2) No. 6 HGB.

a) Objective

The Supervisory Board aims for a composition that means its members assure comprehensive qualified monitoring of and consultancy for the Board of Management at all times. The Supervisory Board holds the view that diversity aspects, alongside specialist and personal requirements, play an important role in the effective work of the Supervisory Board, and therefore in the sustainable development of the company. A variety of personalities, experience and knowledge avoids groupthink, provides for a rounded view and thus guarantees the quality of Supervisory Board's work. As such, the following requirements serve as a guideline for long-term succession planning and the selection of suitable candidates, and create transparency regarding the key criteria governing appointments.

b) Requirements of the individual members

(i) General requirements

Every Supervisory Board member is to be in a position to carry out the duties of a Supervisory Board member in an internationally active, listed enterprise on the strength of their personal and specialist competencies, and to uphold the public image of the *Hawesko Group*. With regard to that, every Supervisory Board member should meet the following requirements:

- Sufficient expertise, in other words the ability to carry out the duties that normally arise on the Supervisory Board
- Dedication, integrity and personality
- General understanding of the business of *Hawesko Holding SE*, including the market context and customer requirements
- Entrepreneurial or operational experience, ideally in the form of experience from working in corporate management, as a senior executive or in supervisory bodies
- Compliance with the limits on mandates according to Section 100 AktG and according to Article C.5 of GCGC 2022

(ii) Time availability

Every Supervisory Board member ensures that they can set aside the time required to carry out their Supervisory Board mandate properly. Above all it should be noted that there are at least four Supervisory Board meetings per year; these require appropriate preparation, especially the meeting at which documentation for the annual and consolidated financial statements is examined. Depending on membership of one or more committees, additional time will need to be set aside for preparing for and attending their meetings. Finally, extraordinary meetings of the Supervisory Board or of the committees may be necessary to deal with special topics.

c) *Requirements and goals for the whole board*

With regard to the composition of the whole board, including in the interests of diversity the Supervisory Board seeks a composition where the members complement each other in terms of their personal and professional background, experience and specialist knowledge, so that the whole board can draw on as wide as possible a range of experience and specialist knowledge.

(i) General requirements

The Supervisory Board of *Hawesko Holding SE* must at all times be composed such that its members as a whole possess the necessary knowledge, skills and specialist experience to be able to perform the duties of the Supervisory Board properly. In addition, the members of the Supervisory Board must as a whole be familiar with the wine trade. At least one member of the Supervisory Board must possess know-how in financial reporting, and at least one further member in the auditing of financial statements.

(ii) Specific knowledge and experience

The Supervisory Board of *Hawesko Holding SE* as a whole is to cover all competency areas that are necessary for it to carry out its duties effectively. Above all – in keeping with the business model of the company – this includes more extensive knowledge and experience in the following areas:

- Accounts, finance, controlling
- Procurement end of the market, for example from running a winery
- Online area, with active responsibility for the restructuring of print-based marketing activities into IT-led marketing and sales activities
- Traditional corporate culture from the perspective of a comparable family firm – corporate identity, corporate culture, sustainability
- Corporate governance, compliance

The Supervisory Board strives for a composition where at least one member is available as an expert point of contact on each of the above aspects.

(iii) Independence and conflicts of interest

Taking account of the company-specific situation of *Hawesko Holding SE* and the ownership structure, the Supervisory Board is to have at least four independent members in accordance with Articles C.6 to C.9 of GCGC 2022. In addition, no persons who serve on corporate bodies or provide consultancy for key competitors of the company are to serve on the Supervisory Board. Where conflicts of interest arise in individual cases – particularly as a result of a consultative or board function at suppliers, customers, lenders or other third parties – the Supervisory Board member in question is obliged to disclose this to the person in charge of the Supervisory Board. The Supervisory Board provides information on conflicts of interest arising and how they have been handled in its yearly report to the Annual General Meeting. Members are to surrender their mandate in the event of material conflicts of interest of a Supervisory Board member that are more than merely temporary.

(iv) Diversity

For the quota of women on the Supervisory Board, the Supervisory Board of *Hawesko Holding SE* has specified that it is to include at least one woman. Diversity for the Supervisory Board is also reflected in such aspects as individual career background and area of activity, as well as in the horizon of experience of its members (for example, industry experience). To that extent, in the interests of diversity the Supervisory Board seeks a composition where the members complement each other in terms of background, experience and specialist expertise. In this regard it is also desirable for some of the members to possess an international horizon of experience.

d) Implementation status

In the current composition of the Supervisory Board, the above targets are met.

	<i>D. MEYER</i>	<i>T. FISCHER</i>	<i>K. WEMPE</i>	<i>PROF. DR.-ING. W. REITZLE</i>	<i>DR. J. HAAS</i>	<i>W. WEIL</i>
Gender	M	M	F	M	M	M
Appointed since	Sep 2010	Jun 2009	Jun 2011	Jun 2022	Dec 2017	Jun 2017
Committees	Personnel (C)	Audit (C)	Personnel	Audit	Audit	Personnel
Independent	No	No	Yes	Yes	Yes	Yes
EXPERTISE						
Corporate governance	x	x	x	x	x	x
Accounting/financial reporting	-	x	-	x	x	-
HR and remuneration	x	x	x	x	-	-
e-commerce/IT	-	-	-	-	x	-
Retail	x	-	x	-	-	-
Viticulture/wine sector	x	-	-	x	-	x
Sustainability	-	-	x	-	-	x
Family businesses	x	-	x	-	x	x

e) Self-assessment

The Supervisory Board, the Personnel and Nominating Committee and the Audit and Investment Committee each assessed the efficiency of their activities and members at their meeting on 12 April 2023, with a view to assuring effective control of the Board of Management of *Hawesko Holding SE*. Among other aspects the profiles and experience contributed by the individual members were discussed and critically evaluated in light of the prevailing needs of the company.

Further information on the activities of the Supervisory Board and its committees as well as on its work alongside the Board of Management in the period under review is provided in the report of the Supervisory Board. For further information on the composition of the Supervisory Board and its committees, please refer to the summary “Board of Management and Supervisory Board” at the end of the Annual Report. The curricula vitae of the current members of the Supervisory Board, updated annually, can be found on the website of the company.

IV. Board of Management

1. Modus operandi of the Board of Management

The Board of Management is independently responsible for the running of the company and represents it in transactions with third parties. It coordinates the strategic direction of the group with the Supervisory Board and, in accordance with the legal requirements, informs the Supervisory Board regularly, promptly and comprehensively of all matters of relevance to the company with regard to planning, business developments and risks. The work of the Board of Management is set out in more detail in rules of procedure for the Board of Management.

The Board of Management reaches its decisions by a simple voting majority. The Board of Management members are responsible for their defined portfolio and area of work according to the allocation of duties schedule, independently of their collective responsibility for the management of the group. At the same time, the Board of Management members work together collegially and continually inform each other of important measures and events in their areas of work.

When filling management functions in the *Hawesko Group*, the Board of Management strives for diversity and in the long term seeks a gender balance that reflects the employee structure.

Conflicts of interest of Board of Management members are to be disclosed without delay to the person acting as Chair of the Supervisory Board. The remaining Board of Management members are equally to be informed of the matter. Board of Management members may only take up secondary occupations, in particular non-executive directorships of companies outside the group, with the consent of the Supervisory Board. Material transactions between the group companies on the one hand and the Board of Management members as well as parties related to them on the other require the consent of the Supervisory Board. These transactions must meet arm's-length requirements. No such contracts existed in the period under review. Nor did conflicts of interest arise in the year under review.

2. Diversity concept for the Board of Management

According to Article 5 of the articles of incorporation, the Board of Management of *Hawesko Holding SE* comprises at least two persons. The members of the Board of Management are appointed by the Supervisory Board. The latter attends to long-term succession planning together with the Board of Management and pays heed to diversity in the composition of the Board of Management. In the interests of tailoring diversity aspects more accurately, the Supervisory Board approved a diversity concept for the Board of Management in April 2018 and supplemented this diversity concept in April 2023 with essential expertise in sustainability in light of the provisions of GCGC 2022.

a) Objective of the diversity concept

The Board of Management performs the pivotal role in the further development of *Hawesko Holding SE* and of the group. The Supervisory Board considers that diversity aspects, alongside the specialist skills and experience of the Board of Management members, play an important role in the sustainable development

of the company. A variety of personalities, experience and knowledge avoids groupthink, allows a rounded view and thus enriches the work of the Board of Management. The following diversity aspects serve as guidelines for long-term succession planning and the selection of suitable candidates.

b) Diversity aspects

The Supervisory Board seeks a composition for the Board of Management where the members complement each other in terms of their personal and professional background, experience and specialist knowledge, so that the Board of Management as a whole can draw on as wide as possible a range of experience, knowledge and skills. Notwithstanding the following diversity aspects, the Supervisory Board is convinced that an all-round appraisal of each individual is the only basis for appointment to the Board of Management of *Hawesko Holding SE*.

(i) Proportion of women on the Board of Management
The Supervisory Board takes the equal participation of women and men as its basis for the composition of the Board of Management and actively promotes that goal, including by specifically searching for female candidates to join the Board of Management. In view of the modest size of the Board of Management and the generally limited pool of suitable candidates, it is nevertheless not always possible to assure equal numbers of women and men. The legislator plans not to oblige an enterprise with a three-member Board of Management to include a woman among the members. Against this backdrop, the Supervisory Board has set a proportion of 0 to 35 percent as the target level for women on the Board of Management of *Hawesko Holding SE*, to be achieved by 30 June 2026.

(ii) Educational and professional background

Diversity on the Board of Management is also reflected in the individual horizons of training and experience as well as in the variety of career backgrounds of its members (for example, industry experience). A variety of backgrounds in education, profession and experience is therefore expressly desired. Every Board of Management member must, however, be equipped to perform the duties of a Board of Management member in an internationally active, listed enterprise on the strength of their personal and specialist competencies, and to uphold the public image of the *Hawesko Group*.

The members of the Board of Management should moreover possess an in-depth understanding of the business of the *Hawesko Group* and generally possess several years of leadership experience. In addition, with regard to the group's business model at least one member should possess particular expertise in each of the following areas, bearing in mind that this expertise need not necessarily have been acquired through university studies or another form of training; it may also have been acquired by other means or within the *Hawesko Group*:

- Strategy and strategic leadership
- Logistics business including the relevant markets and customer requirements
- Sales, preferably in e-commerce
- Operations and technology including IT and digitalisation
- Legal, corporate governance and compliance
- Personnel, specifically human resources management and development, as well as experience with codetermination
- Finance, including financing, accounts, controlling, risk management and internal control procedures
- Sustainability

(iii) Age

Board of Management members should generally possess several years of leadership experience at the time of their appointment, and that presupposes a degree of professional experience. Meanwhile the age cap is set at 65. For reasons of diversity and in the interests of long-term succession planning, a heterogeneous age structure within the Board of Management is sought, though age is not considered to be of pivotal importance compared to the other criteria.

c) *Implementation status*

In the current composition of the Board of Management, the above targets are met. The Board of Management comprises individuals with a variety of career backgrounds and horizons of experience, and possesses expertise in the areas stated. The defined target for the proportion of women is met. The Supervisory Board as well as its Personnel and Nominating Committee will take account of the above diversity aspects as part of their long-term succession planning and in their search for suitable candidates for the Board of Management of *Hawesko Holding SE*.

d) *Succession planning*

According to Article B.2 of GCGC 2022, the Supervisory Board is to attend to long-term succession planning jointly with the Board of Management. For that reason, it is envisaged that on personnel matters the Personnel and Nominating Committee must approve the appointment or dismissal of senior executives on the first tier below Board of Management or of the managing directors of group companies. In addition, either the Supervisory Board or one of its committees regularly invites prominent, key people from the *Hawesko Group* to attend its meetings as guests, and to discuss with them current business developments that affect their specific area. This approach enables the Supervisory Board to regularly form its own, direct impression of especially important management functions, incorporating both personal and professional perspectives. Furthermore, group-wide, internal management development programmes were implemented in recent years so that key positions within the group can increasingly be filled internally.

D. FINANCIAL REPORTING AND AUDITING OF FINANCIAL STATEMENTS

The separate financial statements of *Hawesko Holding SE* are prepared in accordance with the accounting standards of the German Commercial Code (HGB). Since the 2000 financial year, the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union, and the additional HGB requirements according to Section 315e (1) HGB. Further explanatory notes of the IFRS are provided in this Annual Report in the notes to the consolidated financial statements. Following their compilation by the Board of Management, the consolidated financial statements are examined by the independent auditor, then examined and approved by the Supervisory Board. The consolidated financial statements are made available to the public within 120 days of the end of the financial year. The separate financial statements of *Hawesko Holding SE* are the sole basis for the appropriation of earnings.

The selection of the independent auditor, its mandate, monitoring of its independence and of the additional services it provides are handled in accordance with the statutory requirements. The following was agreed with the independent auditor:

- The person chairing the Audit and Investment Committee shall be informed without delay if potential reasons for exclusion or conflicts of interest that cannot be rectified without delay come to light during the audit.
- The independent auditor shall report on all findings and occurrences identified while conducting the audit of the financial statements that are materially significant for the work of the Supervisory Board.
- If the independent auditor should, while conducting the audit of the financial statements, identify facts that have led to a misstatement in the Declaration of Compliance issued by the Board of Management and Supervisory Board in respect of the Corporate Govern-

nance Code (Section 161 AktG), it shall note this in the audit report and inform the person chairing the Supervisory Board of this.

E. TRANSPARENCY

Hawesko Holding SE attaches high importance to the policy of providing uniform, comprehensive and timely information. The trading position and the results of the company are reported on through the Annual Report, at the Annual Press Conference, in the Quarterly Financial Reports at 31 March and 30 September, and in the Interim Financial Report. Further information is published in the form of press releases and ad hoc announcements in accordance with Article 17 of the Market Abuse Regulation (MAR). One constantly used, up-to-date communications medium is the website www.hawesko-holding.com, which makes all relevant information available in German and English. In addition to providing comprehensive information about the *Hawesko Group* and *Hawesko* shares, it includes the financial calendar, which gives an overview of all important events. The Investor Relations department is moreover the point of contact for enquiries from shareholders, investors and analysts. Shareholders and the public can also access the current Corporate Governance Declaration on the website of *Hawesko Holding SE* at www.hawesko-holding.com/en/corporate-governance.

F. REMUNERATION REPORT

Particulars of the remuneration of the Board of Management and Supervisory Board are to be found in a separate remuneration report for 2022, as well as in the notes to the consolidated financial statements and notes to the financial statements of *Hawesko Holding SE* or on the website of *Hawesko Holding SE* at <https://www.hawesko-holding.com/en/corporate-governance/>. No stock option schemes or similar securities-based incentive systems are used.

Hamburg, 12 April 2023

The Supervisory Board

The Board of Management

BOARD OF MANAGEMENT AND SUPERVISORY BOARD

MEMBERS OF THE BOARD OF MANAGEMENT

*Thorsten Hermelink, Chief Executive Officer,
Hamburg*

Born in 1969, he graduated in Business Administration from the University of Lüneburg. Thorsten Hermelink subsequently held senior positions at several international-scale trading companies. He has been Chief Executive Officer (CEO) of *Hawesko Holding SE* since December 2015. Thorsten Hermelink is responsible for the group strategy and the e-commerce and B2B areas, as well as Corporate HR and Corporate Development. With the departure of Raimund Hackenberger as Chief Financial Officer with effect from 31 March 2023, Thorsten Hermelink will take on the Finance & Controlling, Corporate Audit & Compliance, Investor Relations, Corporate Logistics and Legal portfolios until a successor has been appointed.

*Alexander Borwitzky, Member for Omnichannel,
Hamburg*

Born in 1968, he graduated as an MBA from the University of Nottingham in 1992. After holding senior positions at international consumer goods and retail groups, Alexander Borwitzky served as a director of *Jacques'* from 2013 until April 2020. He has been a Board of Management member of *Hawesko Holding SE* since January 2015, where he is responsible for the Business Development and Omnichannel Retail portfolios.

*Raimund Hackenberger, Chief Financial Officer,
Hamburg*

exited with effect from 31 March 2023.

MEMBERS OF THE SUPERVISORY BOARD

*Detlev Meyer*¹

-Chair-

- Managing Partner of Tocos Beteiligung GmbH, Hamburg

*Thomas R. Fischer*²

-Deputy Chair-

- Chief Executive Officer of Marcard, Stein & Co. AG, Hamburg

Member of the following statutorily constituted controlling bodies of commercial enterprises:

- CLOSED Beteiligungs GmbH, Hamburg
- GENUI GmbH, Hamburg
- Hannover 96 GmbH & Co. KGaA, Hannover;
- Warburg Invest AG, Hamburg
- Warburg Invest Kapitalanlagengesellschaft mbH, Hamburg

*Dr. Jörg Haas*²

- Chief Executive Officer of HW Partners AG, Bonn
- Chief Executive Officer of Scopevisio AG, Bonn
- Managing Partner of BonnVisioGruppe, Bonn
- Managing Partner of Invite Group GmbH, Bonn

Member of the following statutorily constituted controlling bodies of commercial enterprises:

- Carmato GmbH, Bonn
- Deutsche Autohaus AG, Bonn
- Digitaler Hub Region Bonn AG, Bonn
- IHK Digital GmbH, Berlin

*Prof. Dr.-Ing. Wolfgang Reitzle*²

- Entrepreneur, Meggen, Switzerland

Member of the following statutorily constituted controlling bodies of commercial enterprises:

- Continental AG, Hannover
- Axel Springer SE, Hamburg
- Ivoclar Vivadent AG, Schaan, Liechtenstein

*Wilhelm Weil*¹

- Director of Weingut Robert Weil, Kiedrich

*Kim-Eva Wempe*¹

- Personally liable managing partner of Gerhard D. Wempe GmbH & Co. KG, Hamburg

¹ Member of the Personnel and Nominating Committee. Detlev Meyer is Chair of the committee.

² Member of the Audit and Investment Committee. Thomas R. Fischer and Prof. Dr.-Ing. Wolfgang Reitzle possess expertise in the field of financial reporting and the field of auditing of financial statements and meet the requirements of Section 100 (5) AktG.

KEY FINANCIAL DATA OF THE *HAWESKO GROUP*

€ million	2022	2021	2020	2019
Net sales	671.5	680.5	620.3	556.0
Gross profit	293.7	300.6	274.4	240.7
- as % of net sales	43.7%	44.2%	44.2%	43.3%
Operating result before depreciation and amortisation (EBITDA)	61.8	75.2	65.6	50.6
- as % of net sales	9.2%	11.1%	10.6%	9.1%
Depreciation and amortisation	-22.7	-22.1	-23.4	-21.5
Operating result (EBIT)	39.1	53.1	42.2	29.2
- as % of net sales	5.8%	7.8%	6.8%	5.2%
Consolidated net income (after taxes and excluding non-controlling interests)	25.6	33.6	23.8	15.8
Cash flow from current operations	36.8	49.0	81.0	33.6
Cash flow from investing activities	-17.3	-2.1	-10.3	2.5
Free cash flow (before acquisitions)	16.6	37.3	71.6	31.7
Dividend distribution for the current year (parent company)	-22.5	-18.0	-15.7	-11.7
Non-current assets	219.7	208.4	204.1	197.7
Current assets	213.9	229.1	223.6	197.3
Equity after dividend distribution	113.1	114.7	101.3	99.2
- as % of balance sheet total after dividend distribution	26.1%	26.2%	23.7%	25.1%
Total assets	433.7	437.5	427.7	394.9
Capital employed	242.1	219.1	225.6	236.5
Return on total assets	9.0%	12.3%	10.0%	7.4%
Return on capital employed	16.1%	24.2%	18.7%	12.3%
Earnings per share (€)	2.85	3.74	2.65	1.76
Regular dividend per share (€)	1.90	1.90	1.60	1.30
Bonus dividend per share (€)	0.00	0.60	0.40	0.45
Total dividend per share (€)	1.90	2.50	2.00	1.75
Total shares (average number outstanding in the year, '000)	8.983	8.983	8.983	8.983
Year-end share price (€)	39.60	52.00	44.4	35.3
Market capitalisation at end of year (€)	355.7	467.1	398.8	317.1
Total employees (average for year)	1,261	1,193	1,183	1,243

2018	2017	2016	2015	2014	2013
524.3	507.0	480.9	476.8	472.8	465.2
223.3	212.9	204.4	198.4	198.0	190.5
42.6%	42.0%	42.5%	41.6%	41.9%	40.9%
36.2	38.6	37.0	27.4	26.9	29.4
6.9%	7.6%	7.7%	5.7%	5.7%	6.3%
8.5	8.2	7.4	7.3	6.8	6.8
27.7	30.4	29.6	20.1	20.1	22.6
5.3%	6.0%	6.2%	4.2%	4.2%	4.8%
22.0	18.5	18.5	12.2	14.8	16.2
26.1	13.9	28.9	26.1	19.3	31.1
-14.9	-10.5	-15.4	-5.8	-5.1	-7.5
20.2	6.2	21.3	19.7	13.1	22.7
-11.7	-11.7	-11.7	-11.7	-11.7	-14.8
90.8	75.6	73.4	60.3	60.3	64.7
198.2	184.1	157.9	159.5	156.9	169.5
100.8	93.1	82.7	79.6	79.4	77.3
34.9%	35.8%	35.8%	36.2%	36.6%	33.0%
289.0	259.7	231.3	219.8	217.2	234.3
165.8	154.9	139.5	137.3	137.5	140.8
10.1%	11.6%	13.1%	9.2%	8.9%	9.6%
16.7%	19.6%	21.2%	14.7%	14.6%	16.0%
2.45	2.06	2.06	1.36	1.65	1.80
1.30	1.30	1.30	1.30	1.30	1.65
-	-	-	-	-	-
1.30	1.30	1.30	1.30	1.30	1.65
8.983	8.983	8.983	8.983	8.983	8.983
41.0	51.0	43.3	41.5	41.5	38.3
368.3	458.2	389.0	372.6	372.9	343.6
1,027	954	940	933	925	925

FINANCIAL CALENDAR

03/02/2023	Press release on provisional trading figures for financial year 2022
20/04/2023	Publication of Annual Report; Annual Press Conference and Analyst Conference
10/05/2023	Quarterly Financial Report at 31 March 2023
12/06/2023	Annual General Meeting
04/08/2023	Interim Financial Report
09/11/2023	Quarterly Financial Report at 30 September 2023
EARLY FEBRUARY 2024	Provisional trading figures for financial year 2023

STOCK EXCHANGES	Frankfurt XETRA, Hamburg
CODE	HAW, HAWG
ISIN	DE0006042708
SHARES OUTSTANDING	8,983,403 no par value bearer shares
SUBSCRIBED CAPITAL	€13,708,934.14
INDUSTRY SEGMENT	Retail, wholesale, Internet trade (B2B, B2C), trade

IMPRINT

PUBLISHED BY

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This annual report is published in German and English. In case of discrepancies, the German version shall prevail.

CONCEPT AND DESIGN

H4 Agentur für Markenentwicklung & Markenkommunikation GmbH
Hamburg, Germany

PHOTOGRAPHY

AdobeStock: 320275309, 331534602, 104443173, 529365256, 385202286, 104443162, 532021579, 455358290, 388694101, 532021579, 296035593, 319202025, 104428666, 142784725, 142784692, 376240137, 268000180, 104444686, 104448521, 226437084, 193458713, 296035593, 543938062, 543938218, 104456860, 368759906, 104444805, 543938218, 34398479, 481850811, 450150860, 104432212, 96253854, 104430594, 556616203, 164956364, 526583930, 104456545, 412043568, 415671396, 267694358, 35398762, 104459187, 267694358, 104455738, 104456476

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For the sake of the environment, this annual report is available only in digitised form.



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